

NRCS ANNUAL PERFORMANCE PLAN FOR

2023/24– 2025/26

11 APRIL 2023

1. LIST OF ABBREVIATIONS

AFRIMETS	Intra-Africa Metrology System
COTII	Council of Trade and Industry Institutions
the dtic	Department of Trade, Industry and Competition
EU	European Union
KPA	Key Performance Area
KPI	Key Performance Indicator
LOA	Letter of Authority
NEDLAC	National Economic Development and Labour Council
NRCS	National Regulator for Compulsory Specifications
OECD	Organisation for Economic Cooperation and Development
OIML	International Organisation of Legal Metrology
PFMA	Public Finance Management Act
SABS	South African Bureau of Standards
SADC	Southern African Development Community
SANAS	South African National Accreditation System
SARS	South African Revenue Services
SLA	Service Level Agreement
SQAM	Standards, Quality, Accreditation and Metrology
SADCMEL	SADC Cooperation in Legal Metrology
TR	Technical Regulation
VC	Compulsory Specification
WTO TBT	World Trade Organisation Agreement on Technical Barriers to Trade

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3. FOREWORD BY THE MINISTER

The 2023/24 Annual Performance Plan of the National Regulator for Compulsory Specifications (NRCS) reflects the continued efforts of the dtic Group to align our activities around a common purpose; grounded in efforts to support **Industrialisation** to promote jobs and rising incomes, drive **Transformation** to build an inclusive economy, and build a **Capable State** to ensure improved impact of public policies.

The APP contains an ambitious set of targets aimed at realising the vision of the NRCS governing legislation, and utilising these regulations to meet their purpose of empowering a larger number of South Africans to contribute towards our shared prosperity. In the year ahead, the NRCS will play a critical role in creating a fair and prosperous South African economy. While companies face a challenging global economic environment, the work of the NRCS will help create the conditions for sustained growth that are most needed when times are hardest.

Since the start of the Sixth Administration, the Department of Trade, Industry and Competition and all entities in the dtic Group have begun a process of adopting a revised output-driven planning system – grounded in the objective of combining all our efforts towards creating real impact for South Africans.

In 2023/24, the dtic concluded this process by introducing 45 output targets, to which the NRCS makes a critical contribution. These include supporting 1 million jobs, mobilising R200 billion in investment, supporting R700 billion in manufacturing exports, and helping Black Industrialists to create 20,000 jobs and R36,8 billion in output. The attached table sets out the 45 outcomes.

While the NRCS has incorporated many of these objectives into the APP, our next steps will be to further align the work of NRCS to meet these common objectives through the implementation of its governing legislation. Within one month of tabling this version of the plan, proposed revisions must be submitted to the Executive Authority to better align with the vision of these targets.

Implementation of this plan must take account of the challenging fiscal environment in which government is operating, and as such as I have instructed all entities to undertake a further review of their spending plans for the period of the plan, and to submit a final, revised financial plan within one month of tabling this version of the plan. This plan should aim to reduce unnecessary spending, and redirect these resources to better serve our core objectives. In

particular, the NRCS should review its budget allocations for administrative costs and revert within one week.

The APP 2023/24, is hereby submitted in accordance with the Revised Framework on Strategic and Annual Performance Plans.



Ebrahim Patel

Minister of Trade, Industry and Competition

Date: 31 March 2023

OVERVIEW BY THE CEO

The government priorities and the Industrial Policy guides the strategic imperatives and priorities of the NRCS, which include the development of new compulsory specifications / technical regulations, the implementation of effective regulatory activities, all guided by efficient and effective enforcement strategies. It will also guide the development of an innovated regulatory framework and the aligned technical infrastructure to allow for greater integration of technology and improved service to stakeholders.

The strategic imperatives and priorities of the NRCS are important contributions to the industrial policy and are essential in delivering on President Ramaphosa's commitment, in his 2022 SONA address, to *'rebuilding the state and restoring trust and pride in public institutions'*. To be able to honour this commitment however, the NRCS must transform into a capable organisation.

To do so, it requires a clear plan, the necessary focus and resources. This will not be an easy task. For too long, the NRCS has operated with an organisation design and ICT systems that are not fit for purpose in today and tomorrow's technology-rich world. A new organisation design has been crafted and specifications for the 'modernisation' of the NRCS' systems and operating practices have been developed.

It is essential that we move with speed from this conceptualisation and design phase to implementation. To be able to do this, the NRCS will need to work collaboratively with all stakeholders, including employees, trade unions and **the dtic**, to implement a stable new organisational structure and innovative ways of working that will position the NRCS for future success.

It will need to acquire and use the necessary resources such as testing laboratories and storage facilities for seized non-compliant products, coupled with the associated evidentiary processes to ensure successful convictions. It will need to use data – both historical captured data stored in readily accessible databases, as well as intelligence derived from both the past and what is happening in the marketplace, to effectively inform and optimise the effectiveness of the NRCS' operations.

This is not a task in which we can fail. As our President confirmed in his SONA speech, our country is embarking upon an essential energy transition which will see accelerated

investments in electric vehicles, hydrogen and other forms of renewable energy. This transition will require support in the form of new technical specifications and new applications of metrology.

This will require the NRCS to think and act in a future focused way so as to ensure that we support and enable the transition, rather than hold it back. To do so however, we will need to build new capabilities and implement a stable, sustainable organisational design, with the necessary capacity, competencies and culture. This will enable us to professionally deliver on these requirements, in accordance with global standards and the needs and expectations of the industries we regulate.

The NRCS was established in terms of the NRCS Act 5 of 2008 (The Act), as amended and the Legal Metrology Act, 2014 (Act No. 9 of 2014) (LMA), which together define the mandate of the NRCS. It is imperative that its strategic approach and operations are responsive to and aligned with the above legislative instruments. In response, the NRCS has focused its strategy to *“preclude presence of non-complaint goods to prevent harm, in any form, to consumers whilst promoting and maintaining fair trade and protecting our environment.”*

In order to deliver on this organisational focus, the NRCS has developed specific outcome-oriented priorities, goals and objectives which will be measured throughout the performance period of this strategic plan.

They include:

- Transitioning the NRCS to be an efficient and effectively functioning organisation. This includes the implementation of the innovated NRCS organisation design and the filling of permanent positions in which competent, professional employees have the confidence and ability to deliver their very best, each and every day.
- The modernisation of ICT and other systems, including data management, to inform innovative ways of working that enable the NRCS to be agile, effective, efficient, accessible and intelligent in the way it delivers on its mandate
- The effective utilisation of an innovated regulatory framework, including our Risk Based Approach to approvals and inspections, to optimise the usage of our resources in ensuring compliance

- Ensuring that the NRCS is financially self-sufficient through the efficient and effective collection of levies
- Improvements in the sanctioning of non-compliant products in the trade through the development of an enhanced enforcement capability.
- Improvements in Consumer and stakeholder recognition, awareness and understanding of compulsory specifications / technical regulations, as well as of the NRCS and its mandate.
- Ensuring sound and effective organisational governance to build on the unqualified audit recently received from the AGSA

It is important that the leaders and employees of the NRCS work collaboratively with industry and other stakeholders such as **the dtic** and partner public sector organisations such as SARS and the Border Management Authority, to champion the achievement of these priorities. It will take an open mind, a willingness to innovate and a pro-active, future-focused view of the world to ensure that the NRCS regains its relevance. It will also take a unified and aligned NRCS community, committed to a common purpose, to make the achievement of these priorities a reality.

Changes in trade trends have led to an increase in imports and consequently an increase in commodities coming through South African ports of entry. This calls for enhancements in the regulatory framework, improved market intelligence and more sophisticated techniques to analyse risks related to the regulated product, company and country of origin. The NRCS has responded to this particular challenge and introduced a Ports of Entry Enforcement Strategy and the Risk-Based Approach to guide the NRCS' work. These initiatives have assisted the organisation to optimally utilise its resources by deploying inspectors at ports of entry and at the point of manufacture (source) in order to intercept non-compliant products before they enter trade in the South African market.

The NRCS is working in partnership with SARS, Border Management Authority and the border police (SAPS) in these surveillance and enforcement activities. NRCS will continue to invest in technology, accelerate the utilisation of the new Customer Relations Management System (CRM) and other ICT platforms to enhance accessibility of services to stakeholders including online applications for letters of authority (LOA). These initiatives will enable NRCS employees to conduct business in and outside the office efficiently, using electronic and digital technology.

This strategy has been developed collaboratively by the broader NRCS leadership team to guide the organisation through troubled waters and to inspire and reinvigorate its work. It incorporates updates to the NRCS strategic intent and the adoption of a new sense of urgency to build a stable, high performing organisation. I look forward to the active support of all leaders, employees, partners and stakeholders to make this strategy a reality.



E Mamadise

Chief Executive Officer

1. OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

Was developed by the management of the National Regulator for Compulsory Specifications and it takes into account all the relevant policy and legislative mandates for which the NRCS is responsible. It further accurately reflects the strategic outcome oriented goals and objectives for which the NRCS will work towards achieving during the medium-term period 2023/24 – 2025/26.

Mr. Edward Matemba

Manager Strategy and Risk

Date: 11 April 2023

Signature: 

Mr. Duncan Mutengwe

Acting: Chief Operations Officer

Date: 11 April 2023

Signature: 

Mr. Mandla Mokoena

Acting: Chief Financial Officer

Date: 11 April 2023

Signature 

Mr. Edward Mamadise

Chief Executive Officer

Date: 11 April 2023

Signature: 

PART A: STRATEGIC OVERVIEW

2. LEGISLATIVE AND OTHER MANDATES

The broad mandate of the NRCS is to promote public health, safety and environmental protection through the development and enforcement of compulsory specifications / technical regulations. While consumer protection lies at the heart of the activities of the NRCS, this function cannot be separated from South Africa's role as a global trading partner. South African goods and services need to be competitive in terms of cost and quality and, at the same time be guaranteed to be safe and fit for purpose. The **mandate** of the NRCS is derived from the following legislation:

- The National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008) as amended;
- The Legal Metrology Act, 2014 (Act No. 9 of 2014); and
- The National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977) (NBR&BS Act).

3. POLICY MANDATES

In addition to the legislative mandate, the NRCS strategy is aligned to that of its primary stakeholder, **the dtic**. The most significant areas of alignment are contained in the following three key dtic strategic outcomes as well as to the strategic objectives of the dtic:

NRCS Strategic Outcomes

- Institutionalising the implementation of Risk Based Approach within the NRCS

- Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation
- Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives.
- Create a fair regulatory environment that enables investment, trade and enterprise development, in an equitable and socially responsible manner

Re-imagined Industrial Policy

The NRCS has a significant role to play in realising the goal of South Africa being a developmental state. The NRCS will play a significant role within the Automotive, Clothing Textile Leather and Footwear, Chemicals and Plastics, Agriculture and Agro-processing and the Oceans Economy.

The NRCS will balance its regulatory responsibilities and the needs of the economy in terms of operationalising the Re-imagines Industrial Policy and application of the master plans in the areas where the entity has a role to play. The orientation of regulatory activities to support both the 'lock out' of unsafe and inferior imports and the 'lock in' of access to increasingly demanding export markets, will also receive attention in the way that specifications are developed, market surveillance is conducted and enforcement activities are implemented by the NRCS.

Regional and International Participation

The NRCS in contributing to the government goal of implementing the Africa Free Agreement and building a better Africa and the world will represent South Africa:

- a) As a Competent Authority at CODEX Alimentarius
- b) United Nations World Forum for Harmonization of Vehicle Regulations (WP 29) – harmonisation of motor vehicle regulations.

- c) SADC Technical Infrastructure committees especially with regards to harmonization of technical regulations and will continue to serve as secretariat for SADC MEL (Co-operation in Legal Metrology) and SADC Technical Barrier to Trade Cooperating Structure.
- d) African Organisation for Standardisation (ARSO) – Harmonisation of technical regulations and conformity assessment.
- e) Inter Africa Metrology System (AFRIMETS) – Harmonisation of Legal Metrology Regulations giving effect to African Free Trade agreement.

Furthermore, in promoting trade, the NRCS will continue to enter in to agreements with our trading partners. Currently the NRCS has agreements with Botswana, Namibia, Mauritius, Zambia and Mozambique.

4. INSTITUTIONAL STRATEGIES

National Regulator for Compulsory Specifications remains committed to creating a sustainable organisation measured and consistent in its approach to improving the organisational environment rising to the significant challenges that the organisation continuously surmounts both internally and externally. NRCS is on a path to creating a world class model of an organisation with exemplary level of performance and leadership excellence while enhancing the working environment through a culture of respect, trust, appreciation, high employee morale and professionalism.

In terms of its strategic mandate, the NRCS's Strategic Plan intends to achieve the following:

- Enhance the quality of life of all South African citizens by ensuring their health and safety, as well as protecting the environment and maintaining fair trade
- Encourage local manufacturing of compliant products by “locking-out” non-compliant imported products, thereby contributing to the development of the South African economy.

In advancing these values and enhancing the organisational performance, NRCS in consultation with all its key stakeholders and based on the analysis of both its internal and

external environment has developed a context specific organisational strategic plan that is anchored on 7 pillars which inform its strategies over the five year planning period namely:

- Financial stability, diversification and revenue targeting model
- Human Capital Development
- Improved brand recognition by Consumers and other stakeholders for grand positioning
- Improved and Strengthened Governance Systems and processes
- Technologically driven organisation for world class positioning
- Improved and Strengthened Governance Systems and processes
- Strengthening Research and Development

Risk Based Approach

At the heart of the **Risk-Based Approach** is the identification and quantification of risks for the regulated industries. In any environment, in which scarce resources are present and there is a need to address significant threats, **a Risk-Based Approach** is essential. The NRCS Risk-Based approach is premised on gathering information and transforming such information into actionable intelligence to guide regulatory activities at both the strategic and operational levels.

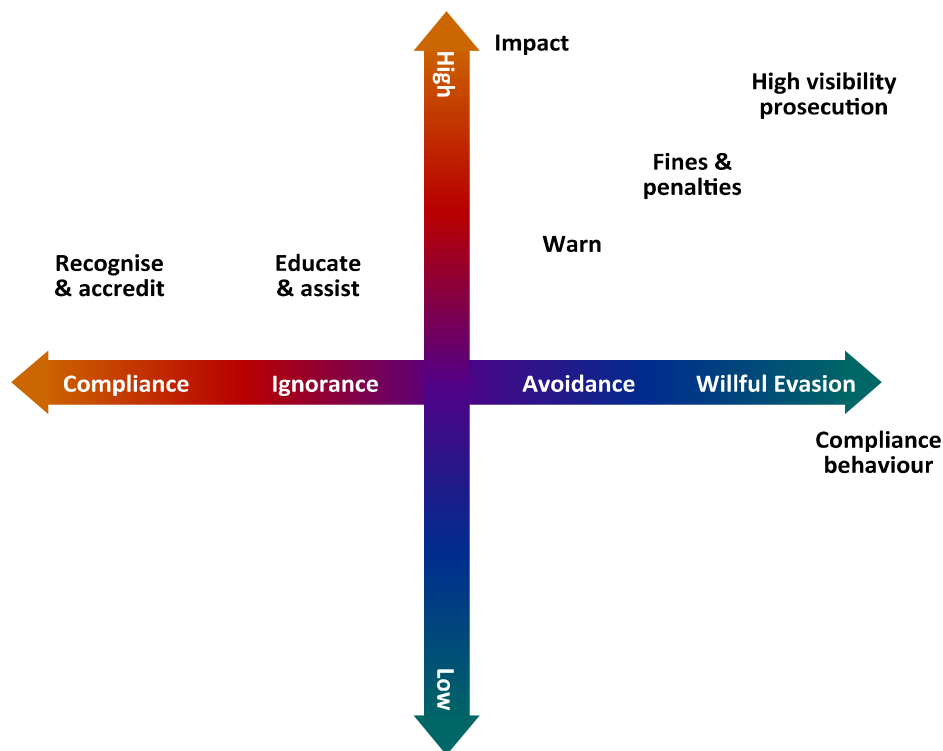
Regulatory response will therefore be developed to address risks in a focused manner. The focus of NRCS will be on according priority attention to addressing high and medium risk products and institutions and planning effective surveillance on low-risk areas. It remains the commitment of NRCS to ensure that in the application of the risk-based approach, there is no breach of the fair-trade and equal opportunity principles, and that businesses will not necessarily find disadvantage as a result of their size, origin and/or other demographic characteristics that the government of South Africa has identified through its transformation policies.

The following important principles will inform NRCS' work:

- Safety critical products must be identified and regulated;
- Compliance, preferably voluntary/ self-compliance, to compulsory specifications and technical regulations;
- Inspection activity should correspond with the level of risk inherent to the product and the risk profile of the applicant/supplier to ensure effective deployment of resources. Two forms of inspections will be conducted depending on the risk profile of products and suppliers:
 - **Surveillance at source:** NRCS will inspect, sample or test products at the point of manufacture or port of entry into South Africa. This approach will also be subject to ongoing, comprehensive analysis and exploration.
 - **Remote Surveillance:** Involves the use of technology where the NRCS inspector will evaluate documentation which may include test reports, pictograms and other technical information at NRCS or other identified premises, but not necessarily at the premises where the products are kept or stored.

The following diagram illustrates how the regulatory response may be focused on the level and type of risks as well as compliance behaviour exhibited.

Compliance Behaviour and NRCS Intervention



Regulating at Source

Regulating and inspecting (regulatory surveillance) at the source of manufacturing will largely assist in locking out non-compliant products before they enter trade and ensure that NRCS is more efficient and effective in regulating the market. Source inspections will entail points of manufacture as well as points of entry into South Africa. Effort will be directed mainly at the point of manufacture and point of entry whilst some effort will be directed at retailers and distributors to gather intelligence and decrease the number of non-compliant products in the South African market.

Finding non-compliant products in the marketplace is evidence of regulatory challenges and failure. The Port of Entry Surveillance Approach will respond to such challenges by decreasing the probability of non-compliant goods entering the South African marketplace.

Due to the large volume of imports into South Africa and the fluid nature of trade, regulatory efficiency and effectiveness will be improved through the intelligent utilisation of information technology.

5. RELEVANT COURT RULINGS

There was one on National Regulator for Compulsory Specification Act. The Judgement recognises that by, remedying the product, it can lead to the product falling outside of the compulsory specification.

6. PLANNED POLICY INITIATIVES

10.1 National Building Regulations and Building Standards

The planned review of the National Building Regulations and Building Standards Act (NBR&BS) arose because the built environment has continuously evolved since promulgation of the NBR&BS Act in 1977. The current NBR&BS Act does not address evolving technical developments within the building environment, the municipal administrative systems as well as the alienation of the reporting structures within the building regulatory environment.

PART B: STRATEGIC OVERVIEW

Mission

To protect public health and safety, safeguard the environment and facilitate fair trade

Vision

A safe, sustainable South Africa where people and businesses can trade and purchase with confidence

7. THE NRCS SITUATIONAL ANALYSIS

The NRCS' role as a regulator is to ensure that businesses produce, import or sell products or services that are not harmful to consumers or the environment or that do not fall short of the declared measure. The NRCS is also tasked to provide a regulatory function for the building industry to ensure building safety, health, structural stability, and the uniform interpretation of the NBR&BS Act and its regulations.

The strategic context within which the NRCS operates is characterised by two significant trends. The first is the increasing sophistication and activism of consumers, manufacturers and retailers. The second is the increased need for stronger relationships and cooperation with industry, other regulators, law enforcement bodies, regional and international bodies and other stakeholders.

In updating its assessment of the external environment and its potential impact, the NRCS has performed an External Performance Delivery Environment Analysis using a PESTLE analysis, a SWOT analysis, Stakeholder Analysis and a Risk Review. The NRCS's macro-environment, in particular, was assessed, taking into consideration the Political, Economic, Social, Technological, Legal / Ethics & Environmental aspects.

These trends have informed the development of strategic goals and objectives to steer the organisation on its path to deliver on its mandate.

a. INTERNAL STRATEGIC DRIVERS

Internally, the NRCS is in the process of reviewing its organisational design in order to implement a structure that promotes the accomplishment of the NRCS' mandate in an economical, effective and efficient manner. The Risk-Based Approach and the Port of Entry Enforcement Strategy will fundamentally impact the organisational design of the NRCS. It is envisaged that the Risk-Based Approach and Enforcement Strategy will enable the NRCS to inspect commodities at source and the focus of inspectors will become more proactive in addressing areas of non-compliance through a range of regulatory interventions as opposed to routine inspections. The Risk-Based Approach will enable inspectors to gather market intelligence and create awareness through briefings with stakeholder groupings such as trade unions, chambers of commerce and industry groupings whilst focusing enforcement activities where high risks exist. A new and integrated surveillance approach, informed by the intelligent application of information technology, is planned for adoption to enhance regulatory activities.

NRCS' mandate will be achieved through:

- Committed leadership
- Building a core of committed, skilled and experienced staff
- Communicating openly, transparently and collaborating with all stakeholders

Executing the NRCS mandate in a financially sound and sustainable manner and in Political & Technological aspects

Political	Technological
<input type="checkbox"/> Service delivery challenges - depending on approach of winning party and their commitment to service.	<input type="checkbox"/> Information security challenges.
<input type="checkbox"/> Change in political direction – New policies and goals set that can impact on NRCS mandate.	<input type="checkbox"/> Open source platforms and optimizing operations and access to technology.
<input type="checkbox"/> Change in the dtic Minister – New Minister may set new	<input type="checkbox"/> Increase in on-line trading and the related challenges e.g., E-commerce
	<input type="checkbox"/> Rise of flexible working and tele-commuting.
	<input type="checkbox"/> Real potential of a paperless environment.

<p>agenda which may change NRCS resourcing.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Conflictual collective bargaining environment. <input type="checkbox"/> Post-election changes in the political administration. <input type="checkbox"/> The perception of political bias is a risk. <input type="checkbox"/> Increased activism regarding public service delivery. 	<ul style="list-style-type: none"> <input type="checkbox"/> Low cost access to technology & communications devices such as Smartphone's. <input type="checkbox"/> More technology players, lower cost of communications & technology. <input type="checkbox"/> Ease of access to information requirements. <input type="checkbox"/> The rise of 'big data', predictive analytics and intelligent forecasting and reporting tools. <input type="checkbox"/> Availability of "off the shelf" software to impact ICT process, e.g. recording, tracking and reporting. <input type="checkbox"/> Increasing sophistication of threats on IT security and HR processes. <input type="checkbox"/> Increasing cost effective technology for effective records management. <input type="checkbox"/> Keeping up with advancement in technology. <input type="checkbox"/> Enable remote surveillance in order to ensure that non-compliant products are locked-out of the local marketplace, prior to entering trade. <input type="checkbox"/> Efficient intelligence gathering, data mining and risk profiling to ensure that regulatory enforcement activity is well focused and resources are utilised optimally.
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Economic & Legal/Ethics aspects

Economic	Legal/Ethics
<ul style="list-style-type: none"> <input type="checkbox"/> Tough economic times have resulted in an increase in corruption. <input type="checkbox"/> Cost cutting through consolidation of public entities. <input type="checkbox"/> Weakening of rand, rising inflation levels and possible interest rate increases. <input type="checkbox"/> BBBEE <input type="checkbox"/> The ongoing worldwide economic recession. <input type="checkbox"/> Downward adjustment of economic growth rate. <input type="checkbox"/> Increase in on-line transactions. <input type="checkbox"/> Financial constraints on the fiscus. <input type="checkbox"/> Companies implement cost control measures which has the potential to result in the production of sub- standard and non-compliant products. 	<ul style="list-style-type: none"> <input type="checkbox"/> More laws, increasing moral prescription rather than reliance on ethics or moral guidance. <input type="checkbox"/> Changes in founding laws are on the horizon. <input type="checkbox"/> Implementation of various laws and the impact on NRCS –e.g., Border Management Act and Consumer Protection Act. <input type="checkbox"/> Legislation which overlaps/ duplication of mandates.

Social & Environmental aspects

Social	Environmental
<ul style="list-style-type: none"> <input type="checkbox"/> Increased awareness and mobilization of people on the ground - promote political agendas that might impact NRCS. <input type="checkbox"/> Urbanization – Rural – Urban migration. <input type="checkbox"/> High levels of unemployment. <input type="checkbox"/> Changes in company culture - Gen Y and Millennials. <input type="checkbox"/> Need for Youth Development. <input type="checkbox"/> Active Citizenry - demand for improved access to services and improved service delivery. <input type="checkbox"/> Increase in flexible working practices. <input type="checkbox"/> Rise of social media and digital inter-connectedness. <input type="checkbox"/> High cost of living drives demand for low cost of goods. 	<ul style="list-style-type: none"> <input type="checkbox"/> Natural disasters – food price increases and less disposable income. <input type="checkbox"/> NRCS environmental responsibilities in respect of sustainable consumption. <input type="checkbox"/> Need to focus on employee safety and wellness in the workplace. <input type="checkbox"/> Focus on waste management in terms of non-compliant products. <input type="checkbox"/> Need to minimise Carbon Footprint. <input type="checkbox"/> Need to innovatively share and package information. <input type="checkbox"/> Reducing consumption e.g., printing, water and electricity. <input type="checkbox"/> Rise in environmentally friendly practices.

SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • The uniqueness and extent of the NRCS's mandate positions it as a relevant institutional intervention in the enforcement of compulsory specifications to promote public health and safety, environmental protection and ensuring fair trade. • • Established strong partnerships with organisations such as the South African Revenue Services (SARS), South African Police Service (SAPS) and the National Consumer Commission (NCC), among others, to ensure more effective regulation. 	<ul style="list-style-type: none"> • Lack of technological capabilities for operations and market surveillance • Operational inefficiencies related to organisational decision making capabilities leading to poor turnaround times and lack of communication and trust among members within the organisation. • Reducing number of efficiency improvement opportunities as technology enhancements are successfully implemented. • ICT security threats and safeguarding of information. • High compliance costs ratio to income as well as resource requirements.
Opportunities	Threats
<p>As part of the Technical Infrastructure institutions the NRCS is better positioned to exploit the following opportunities:</p>	<ul style="list-style-type: none"> • The establishment of the Border Management Authority and other players/competitors encroaching on the NRCS activities. The

<ul style="list-style-type: none"> • To ensure that technical infrastructure support is available to encourage value-adding growth, labour-intensive manufacturing and advanced beneficiation. • To take a leading role in promoting technical infrastructure to better equip emerging industries in the SADC region to be competitive in domestic and international markets. • To support quality infrastructure development in Africa that will facilitate the acceptance of accredited certification, inspection and testing in many African markets, based on single accreditation and a measurement system adapted to intra-Africa trade. 	<p>NRCS enforcement functions at the Ports of Entries will in the medium term be affected by the establishment of the Border Management Agency</p> <ul style="list-style-type: none"> • Reduced fiscal allocation by the National Government • Generally weakening economy • The impact of COVID-19 Pandemic on trade activities and the national slow growth rate • Unfunded mandates
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Internal Environment Analysis

The following illustration sets out the **NRCS core process** through its value chain.



Figure 1: NRCS Core Process / Value Chain

Conduct Research

The NRCS conducts market research and environmental scans / analyses to determine those compulsory specifications and technical regulations that should be introduced to ensure that the health and safety of the South African public, to ensure the environment is protected as well as to ensure fair trade.

NRCS will be proactive in identifying shortcomings in the current regulatory framework as well as with the current compulsory specifications and technical regulations. Furthermore, the development of new compulsory specifications and the amendment of existing ones will be in accordance with industry and consumer needs.

It has been recognised that the Research and Development capability within NRCS will need to be fully capacitated / strengthened going forward to generate actionable intelligence, prioritise activities including Inspections and to better understand the availability of international technical regulations for new products, in particular digitally-enabled products and / or EVs, autonomous vehicles etc. This stage of the NRCS core process **breaks down** in the following areas:

- Lack of buy in and input from stakeholders

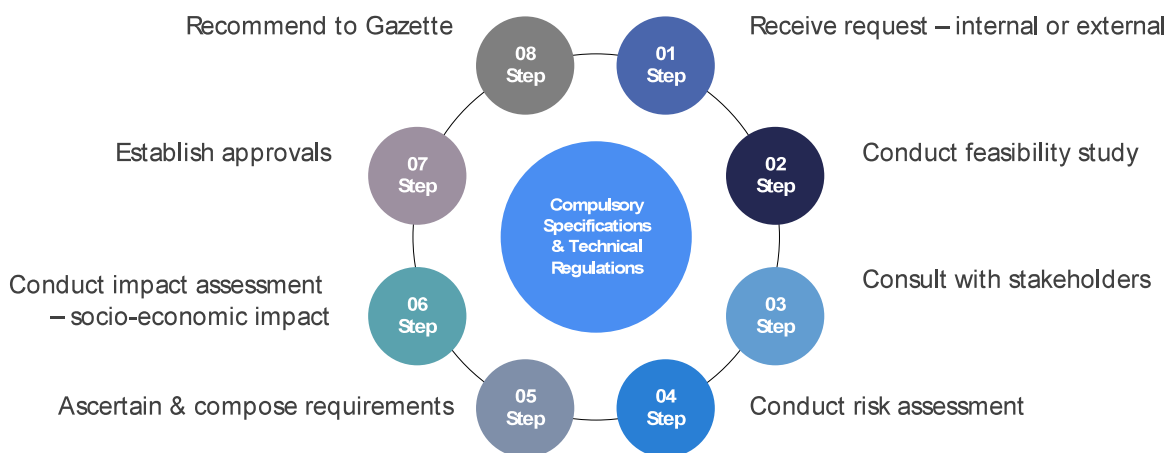
- Availability of information as requested
- Lack of technology to enable analysis of external and internal data

Strengthening this part of the NRCS core process would require:

- Being able to generate **quantitative data** to support decision making
- Using research to enable scientific, evidence / data-driven decision making
- Incorporate technology-appropriate ICT systems
- Greater collaboration with other research-focused entities
- Conduct post VC impact research

Set Compulsory Specifications and Technical Regulations

The process for setting compulsory specifications and developing technical regulations will need to be accelerated to ensure the NRCS's relevance in a world where stakeholder / industry expectations are ever-increasing. The innovated core process is:



Setting Compulsory Specifications & Technical Regulations Process

The development, amendment or withdrawal of compulsory specifications and technical regulations involve conducting risk and impact assessments in the drafting process. Wherever possible, national and international standards are used in the development of these compulsory specifications and technical regulations. In the absence of suitable standards, the NRCS initiates the drafting of the standard or develops a compulsory specification or technical

regulation incorporating the necessary technical requirements in accordance with legislative prescripts. In the case of building regulations, the NRCS develops technical regulations to set the minimum technical requirements for buildings and the built environment. Challenges experienced within this stage of the NRCS core process include:

- Stakeholders do not always agree on the risk assessment and this delays or introduces an element of conflict into the process.
- Delays are experienced in the availability of suitable standards.
- There are delays outside of the NRCS control with gazetting. This will require the dtic to more urgently address these delays.
- Commercial interests, at times, unduly impact decision making.

Increased stakeholder engagement, awareness and education around why Compulsory Specifications and Technical Regulations exist and how they should be used is essential going forward. The NRCS will conduct extensive analysis and engagement with relevant stakeholders to ensure that the specifications and regulations developed are practical, appropriate and meaningful. The NRCS will also engage with stakeholders to provide education and awareness programmes and to promote compliance with compulsory specifications and technical regulations.

Going forward, the NRCS will positively address this stage by:

- Ensuring complete alignment with the Act (full utilisation)
- Ensuring VCs are responsive to public and environmental requirements
- Accelerating the harmonisation and adoption of international regulations
- Working closer with the dtic to ensure clear alignment of interests and to reduce any potential delays in gazetting

Market Surveillance and Regulatory Supervision

The NRCS will continue to apply the Border Enforcement Strategy and the Risk-Based Approach in its work, signifying a shift from the past practice where the NRCS predominantly conducted inspections at retail outlets. NRCS will comprehensively explore the approach of **“inspecting at source of production or port of entry”** to promote compliance behaviour. This combined with the introduction of self-regulation which is currently in its pilot phase will see an increase in inspections at source with an expected improvement in compliance behaviour.

Regulatory supervision also incorporates the pre-market approval process. Pre-market approvals serve as confirmation that the product model which has been evaluated by the NRCS meets the requirements of the relevant compulsory specification or technical regulation.

A need has been identified to strengthen the Inspection process and, in particular the Inspection strategy / planning process to ensure that these are focused on real impact in accordance with an innovated Risk Based Approach.

This stage of the NRCS core process **breaks down** in the following areas:

- Absence of a clear **regulatory framework**
- A need for a focus on the **quality** versus the quantity of inspections
- **A lack of effective investigative** techniques – eg. how to gather evidence
- **Poor planning** – need to ensure geographic / national coverage.
- Requirement for **information and good record keeping** - industries database, compliance history status, all information that is key to planning.
- Record keeping and improvements in all aspects of **administration**
- Lack of **‘fit for purpose’ VC** or technical regulations
- **Execution** – Travelling, identification of products to be inspected or outcomes of inspections, for example, pro-active, re-active and follow up re-inspections, inclusive of new businesses
- High levels of non-compliance
- Sampling, including approvals and submission of ‘golden’ samples
- Lack of internal intelligence

- e-commerce is currently uncontrolled
- No proper database exists for the retrieval of records etc
- There is a lack of reference labs for the purposes of testing as a regulator

Strengthening this stage of the core process will require:

- A clear regulatory framework and well documented compliance strategy
- An automated system linked to a digital database
- Appropriate ICT-enabled systems and support
- Multi-faceted, competent Inspection Teams
- Technically proficient, knowledgeable and competent Inspectors
- End to end processing on approvals and inspections
- A respected Regulatory Mark or form of recognition
- Increased compliance and high impact inspections
- 100% compliance
- Data / intelligence driven inspections
- Systems integration with other entities such as Customs

We will need to do the following **differently** to deliver success ...

- Capacitate the NRCS through accelerating the 'Modernisation' process
- Better project management
- Proper implementation of a Risk Based Approach and the 80 / 20 principle
- Better performance management and clear linkages to KPIs and KPAs
- Quality, focused inspections based on target setting that has been intelligently thought through. For example, number of approved, targeted Inspections in accordance with the Inspection Plan developed and approved by the Manager
- Consistent Inspection process – in line with applicable VC to prove compliance
- More education, awareness and training
- Better stakeholder management and improved relationships
- More effective sanctions
- Fast-tracked automation of systems
- Adoption of technology to improve controls and increase effectiveness

Enforcement

Enforcing compliance is a significant area of concern for the NRCS as the enabling legislation does not have strong deterrent measures and the appropriate legal forums for effective enforcement action to be prosecuted so as to ensure real, meaningful consequences for non-compliance. This stage of the NRCS process **breaks down** in the following areas:

- **Facility limitations** - especially a lack of facilities for the storage of seized, non-compliant products
- Dependencies on processes involving **other parties** such as law enforcement and / or testing
- Need for **more disciplined chains of evidence** to be established and maintained through effective completion and gathering of evidence on the part of the NRCS Inspectorate
- Development of a **strengthened internal capability** focused on enforcement with Section 15 (3) delegations
- Focus on **completing the enforcement process** in the prescribed 120 days

8. NRCS CORE PROCESS AND PRODUCTS

In executing its mandate, the NRCS understands and follows a distinct core business process as outlined below:

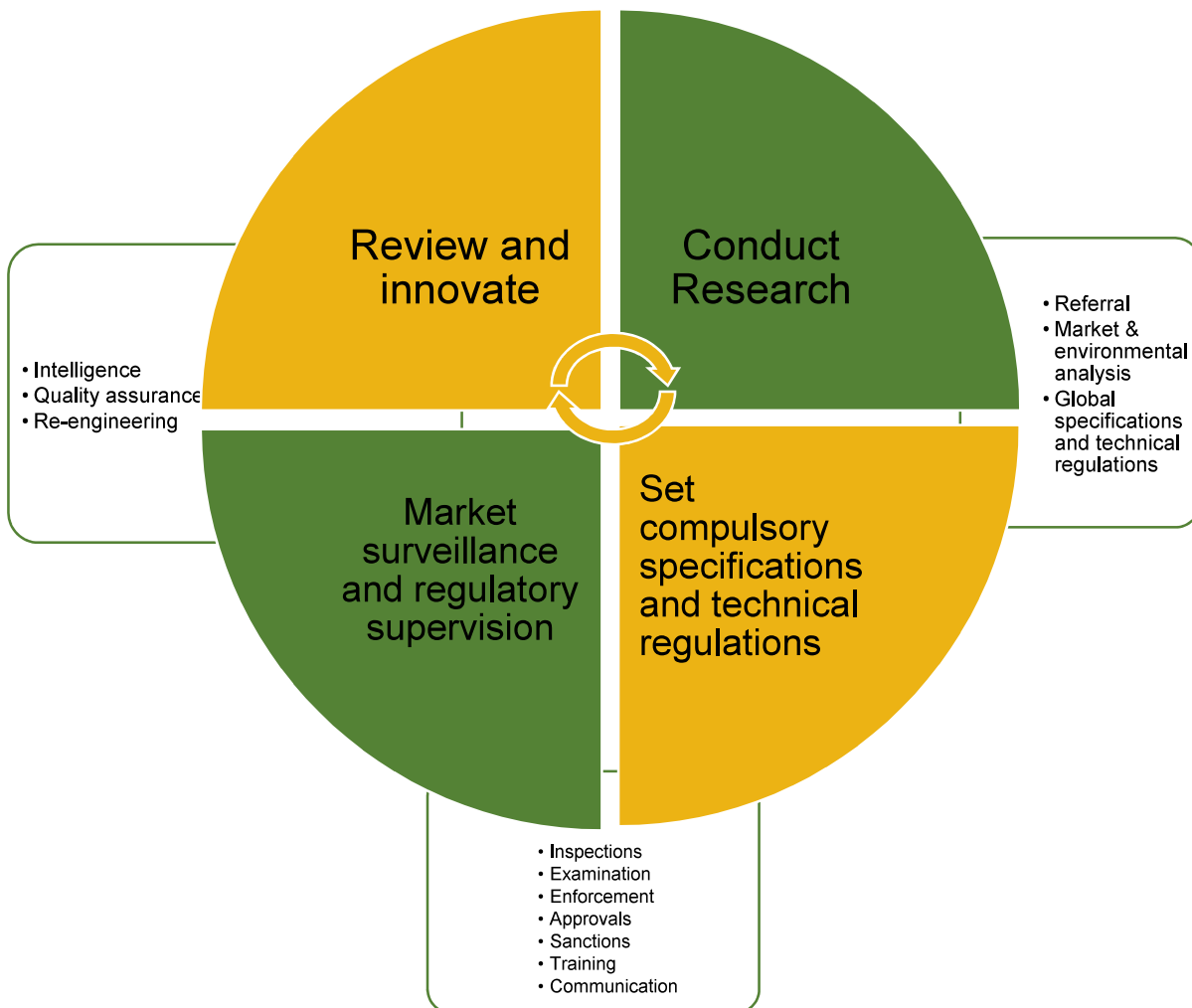


Figure 1: NRCS Core processes

Research

The NRCS conducts market research as well as environmental scans and analyses to determine those compulsory specifications and technical regulations that should be introduced

to ensure that the health and safety of the South African public and the environment are protected, as well as to ensure fair trade.

NRCS will be proactive in identifying shortcomings of the current regulatory framework as well as within the current compulsory specifications and technical regulations. The development of new compulsory specifications and the amendment of existing ones will be in accordance with the industry and consumer needs. Setting Compulsory Specifications and Technical Regulations The development, amendment or withdrawal of compulsory specifications and technical regulations involve the conducting of risk and impact assessments in the drafting process. Wherever possible, national and international standards are used as the frame of reference in the development of these compulsory specifications and technical regulations. In the absence of suitable standards, either nationally or internationally, the NRCS initiates the drafting of the standard or develops a compulsory specification or technical regulation incorporating the necessary technical requirements in accordance with legislative prescripts. In the case of building regulations, the NRCS develops technical regulations that establish the minimum technical requirements for the built environment.

Setting Compulsory Specifications and Technical Regulations

The development, amendment or withdrawal of compulsory specifications and technical regulations involve the conducting of risk and impact assessments in the drafting process. Wherever possible, national and international standards are used as the frame of reference in the development of these compulsory specifications and technical regulations. In the absence of suitable standards, either nationally or internationally, the NRCS initiates the drafting of the standard or develops a compulsory specification or technical regulation incorporating the necessary technical requirements in accordance with legislative prescripts. In the case of building regulations, the NRCS develops technical regulations that establish the minimum technical requirements for the built environment.

Stakeholder Engagement

The NRCS will engage with relevant stakeholders and role-players to ensure that the specifications and regulations developed are practical, appropriate and meaningful.

Review and Innovate

It is essential that the NRCS develops an effective and efficient quality assurance process to ensure that a culture of ongoing learning, improvement and innovation is cultivated. Such an approach will ensure that the required impact of the regulator is achieved and that there is a focus on high quality outcomes and impact rather than simply on activities. Furthermore, all approaches, methodologies, business processes and procedures will be continually reviewed and re-engineered to keep them current, economical, efficient and effective.

Market Surveillance and Regulatory Supervision.

The NRCS will continue to apply the “Enforcement at Source” Strategy and the Risk Based Approach to its work, signifying a shift from the past practice where we predominantly conducted inspections at retail outlets. We will comprehensively and continuously explore and enhance the approach of “inspecting at source of production or port of entry” as well as the risk-based approach to promote compliant behaviour. This approach, combined with the introduction of self-regulation which is currently in its pilot phase, will see an increase in inspections at source with an increased focus on areas of high risk.

Regulatory supervision also incorporates the pre-market approval process. Pre-market approvals serve as confirmation that the product model which has been evaluated by the NRCS meets the requirements of the relevant compulsory specification or technical regulation and are generally safe for human consumption and the environment.

At the heart of the Risk-Based Approach is the identification and quantification of risks for the regulated industries. In any environment, in which scarce resources are present and there is a need to address significant threats, a Risk-Based Approach is essential. The NRCS Risk-

Based approach is premised on gathering information and transforming such information into actionable intelligence to guide regulatory activities at both the strategic and operational levels. Regulatory response will therefore be developed to address risks in a focused manner. The focus of NRCS will be on according priority attention to addressing high and medium risk products and institutions and planning effective surveillance on low-risk areas. It remains the commitment of NRCS to ensure that in the application of the risk-based approach, there is no breach of the fair-trade and equal opportunity principles, and that businesses will not necessarily find disadvantage as a result of their size, origin and/or other demographic characteristics that the government of South Africa has identified through its transformation policies.

The following important principles will inform NRCS' work:

- Safety critical products must be identified and regulated;
- Compliance, preferably voluntary/ self-compliance, to compulsory specifications and technical regulations;
- Inspection activity should correspond with the level of risk inherent to the product and the risk profile of the applicant/supplier to ensure effective deployment of resources. Two forms of inspections will be conducted depending on the risk profile of products and suppliers:
 - **Surveillance at source:** NRCS will inspect, sample or test products at the point of manufacture or port of entry into South Africa. This approach will also be subject to ongoing, comprehensive analysis and exploration.
 - **Remote Surveillance:** Involves the use of technology where the NRCS inspector will evaluate documentation which may include test reports, pictograms and other technical information at NRCS or other identified premises, but not necessarily at the premises where the products are kept or stored.

PART C: MEASURING OUR PERFORMANCE

13. OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Each of these goals is linked to a set of strategic (measurable) objectives which are in turn linked to key performance indicators and targets in the organisation's Strategic Plan. Furthermore, the APP will track progress made towards achieving these goals over the three-year cycle.

Strategic Goal One: To develop, maintain and administer compulsory specifications and technical regulations

Whilst fulfilling its mandate in other product and service areas, the NRCS will increase its focus on evolving technologies and technology enabled products, energy conservation and efficiency (energy storage, invertors, batteries and generators), automotive innovations (EV, hydrogen and other renewable energy source motor vehicles including increasingly autonomous vehicles) food and associated value-add products. Through this focus, compulsory specifications will play an increasingly important role in the medium term, by contributing towards energy efficiency, emissions reduction and increasing the exports of the agro-processing industry and, in particular, SMME participants in this industry. The NRCS will increase the scope of its regulatory coverage by identifying and developing new compulsory specifications that provide the optimal balance between the meeting the emerging needs of consumers and benefitting South African industry, in compliance with the NRCS' mandate.

Resources will be dedicated to maintaining a range of compulsory specifications and technical regulations in accordance with government priorities, industry requirements and market analyses conducted by the NRCS. Through this process, the NRCS will conduct impact and risk

assessments to determine the feasibility of developing new compulsory specifications / technical regulations, the feasibility of revising and amending existing ones and withdrawing redundant or no longer relevant compulsory specifications / technical regulations. This will be done in consultation with relevant stakeholders.

Through the achievement of this goal, the NRCS seeks to ensure that any product that may potentially harm consumers, the environment and negatively impact on fair trade is identified, evaluated and regulated. To deliver successfully on this goal, it is essential that a centralised governmental database of all products that may potentially cause harm to the consumer or the environment must be established and that plans and processes must be developed for the regulation of all such products.

The NRCS' aspiration therefore is to further develop an effective, efficient and dynamic regulatory system that is responsive to the fast changing context in which South African businesses and citizens exist and that actively protects citizens and the environment.

Table 1.1: Annual Targets: Goal 1: To develop, maintain and administer compulsory specifications and technical regulations

Outcome	Output	Output Indicator / Measure	Audited Performance 2019/20	Audited Performance 2020/21	Audited Performance 2021/22	Estimated Performance 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
Develop a regulatory system responsive to market needs and capable of contributing to sustained economic impact	Develop Compulsory Specifications (VC)/Technical Regulations (TR) that are relevant, impactful and responsive to market needs	Number of VC's/Tech Regulations (new, amended or withdrawn) submitted to the dtic	10 Compulsory Specifications/ Technical Regulations submitted to the dtic for 1st and 2nd gazette	8 Compulsory Specifications/ Technical Regulations submitted to the dtic for 1st and 2nd gazette	12 Compulsory Specifications/ Technical Regulations submitted to the dtic for 1st and 2nd gazette	8 Compulsory Specifications/ Technical Regulations submitted to the dtic for 1st and 2nd gazette	10 Compulsory Specifications/ Technical Regulations submitted to the dtic for 1st and 2nd gazette	11 Compulsory Specifications/ Technical Regulations submitted to the dtic for 1st and 2nd gazette	12 Compulsory Specifications/ Technical Regulations submitted to the dtic for 1st and 2nd gazette

Table 1.2: Cumulative Quarterly Targets: Goal 1: To develop, maintain and administer compulsory specifications and technical regulations

Number	Output Indicator / Measure	Reporting Period	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
1.1	Number of new, amended or withdrawn VC's/Tech Regulations submitted to the dtic for 1st and 2nd gazette	Quarterly Cumulative	10 Compulsory Specifications/ Technical Regulations				10 Compulsory Specifications/ Technical Regulations

Strategic Goal Two: To maximise compliance with all specifications and technical regulations

The NRCS seek to improve compliance with compulsory specifications and technical regulations through establishing pre-market approvals, enhanced market surveillance, timeous testing where required and the imposition of consequences, including sanctions, where non-compliances has been identified. The NRCS will use a risk-based approach, an effective border enforcement strategy, self-regulation, inspection at source and benchmarking of business models to improve the efficiency and effectiveness of its regulatory activities.

Regulatory interventions will be implemented to reduce the availability of non-compliant products in the market. These interventions will include the traditional NRCS on-site surveillance activities, enforcement, investigations, testing of products, awareness briefings and communication as well as desktop / remote inspections. An inspection will have the most effective impact when conducted at the source of the product. A quality assurance process will randomly check that these interventions comply with inspection quality standards.

The NRCS will, on an ongoing basis, develop and institutionalize improvements to its core regulatory process to ensure greater regulatory efficiency and effectiveness. Through this, the NRCS will:

- Develop an effective, efficient and responsive process to enable timeous testing, as may be required
- Develop an efficient, consistent approach to Risk Based Regulation, executed in a disciplined way
- On an ongoing basis, evaluate and assess levels of compliance in the market through sampling, testing, and trend analysis.
- Ensure well-focused inspections that contribute to improved compliance
- Implement compliance activities that enables positive economic contribution whilst contributing to greater inclusivity of economic participation on the part of entrepreneurs, SMMEs and compliant businesses

Another specific intervention to be employed to limit the quantum of non-compliant products will be to enforce the requirement that a valid LOA must be pre-approved for all safety critical products entering into or being traded in South Africa. It is expected that the LOA requirement will not apply to labelling as all products traded must comply with Legal Metrology prescripts.

Table 2.1: Annual Targets: Goal 2: To maximise compliance with all specifications and technical regulations

Outcome	Output	Output Indicator / Measure	Audited Performance 2019/20	Audited Performance 2020/21	Audited Performance 2021/22	Estimated Performance 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
Enable compliance and facilitate trade	Increased coverage of effective market surveillance activities and compliance activities	Number of Inspections conducted as per the NRCS Risk Based Approach to monitor compliance to regulations within the Automotive, Chemicals Materials and Mechanicals (CMM), Electro-technical and Legal Metrology Sectors and 100% sanctions issued where non-compliances are identified	21 552	10 560	21 065	20 984	20 433	21 485	21 552
		Percentage of Inspections conducted on locally produced, imported and exported canned fishery and meat product consignments in accordance with the compulsory specification and procedures	100% of inspections conducted on all declared canned fishery and meat products produced.	100% of inspections conducted on all declared canned fishery and meat products produced.	100% of inspections conducted on all declared canned fishery and meat products produced.	100% of inspections conducted on all declared canned fishery and meat products produced.	100% of inspections conducted on all declared canned fishery and meat products produced.	100% of inspections conducted on all declared canned fishery and meat products produced.	100% of inspections conducted on all declared canned fishery and meat products
		Number of inspections conducted on locally produced fishery products (live, chilled and frozen), processed meat products, retail, fishery and meat processing factories and vessels as well as fishery and meat retail inspections, in accordance	2150 inspections	1942 inspections	2247 inspections	2389 inspections	2458 inspections	2443 inspections	2443 inspections

Outcome	Output	Output Indicator / Measure	Audited Performance 2019/20	Audited Performance 2020/21	Audited Performance 2021/22	Estimated Performance 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
		with the compulsory specification and procedures							
		Trade Facilitation: Facilitate exportation of canned meat, fish and fishery products					R8 billion worth of products exported from South Africa	R8.5 billion worth of products exported from South Africa	R9 billion worth of products exported from South Africa
		Percentage of gaming approval applications finalised (approved or rejected or closed) within the set timeframes	96% of all applications processed within 30 calendar days	99.89% of all applications processed within 30 calendar days	100% of all applications processed within 30 calendar days	100% of all applications processed within 30 calendar days	99% of all applications processed within 30 calendar days	99% of all applications processed within 30 calendar days	99% of all applications processed within 30 calendar days
		Percentage of approval applications finalised (approved or rejected or closed) within the set timeframes in Automotive, Electro-technical, Chemical Materials and Mechanicals. Improve the ease of doing business	91.8% of all approval applications finalised within 120 calendar days	92% of all approval applications processed within 120 calendar days	95% of all approval applications processed within 120 calendar days	95% of all approval applications processed within 120 calendar days	95% of all approval applications processed within 90 calendar days	95% of all approval applications processed within 90 calendar days	95% of all approval applications processed within 90 calendar days
		Identify and sanction non-compliant products and services enable complaint business to trade fairly	-	-	-	-	R350 million worth of non-compliant products identified and corrected or removed from the market	R370 million worth of non-compliant products identified and corrected or removed from the market	R390 million worth of non-compliant products identified and corrected or removed from the market

Table 2.2: Cumulative Quarterly Targets: Goal 2: To maximise compliance with all specifications and technical regulations

Number	Output Indicator / Measure	Reporting Period	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
2.1	Number of Inspections conducted as per the NRCS Risk Based Approach to monitor compliance to regulations within the Automotive, Chemicals Materials and Mechanicals (CMM), Electro-technical and Legal Metrology Sectors and 100% sanctions issued where non-compliances are identified	Quarterly Cumulative	20 433	5082	10 403	15 511	20 433
2.2	Percentage of Inspections conducted on locally produced, imported and exported canned fishery and meat product consignments in accordance with the compulsory specification and procedures	Quarterly Cumulative	100% of inspections conducted on all declared fishery and meat products produced.	100% of inspections conducted on all declared canned fishery and meat products	100% of inspections conducted on all declared canned fishery and meat products	100% of inspections conducted on all declared canned fishery and meat products	100% of inspections conducted on all declared canned fishery and meat products
2.3	Number of inspections conducted on locally produced fishery products (live, chilled and frozen), processed meat products, retail, fishery and meat processing factories and vessels as well as fishery and meat retail inspections, in accordance with the compulsory specification and procedures	Quarterly Cumulative	2458 inspections	705 inspections	1 232 inspections	1874 inspections	2 458 inspections
2.4	Trade Facilitation: Facilitate exportation of canned meat, fish and fishery products	Annual Target	R8 billion worth of products exported from South Africa				R8 billion worth of products exported from South Africa

Number	Output Indicator / Measure	Reporting Period	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
2.5	Percentage of gaming approval applications finalised (approved or rejected or closed) within the set timeframes	Quarterly Cumulative	99% of all applications processed within 30 calendar days	99% of all applications processed within 30 calendar days	99% of all applications processed within 30 calendar days	99% of all applications processed within 30 calendar days	99% of all applications processed within 30 calendar days
2.6	Percentage of approval applications finalised (approved or rejected or closed) within the set timeframes in Automotive, Electro-technical, Chemical Materials and Mechanicals. Improve the ease of doing business	Quarterly Cumulative	95% of all approval applications processed within 90 calendar days	95% of all approval applications processed within 90 calendar days	95% of all approval applications processed within 90 calendar days	95% of all approval applications processed within 90 calendar days	95% of all approval applications processed within 90 calendar days
2.7	Identify and sanction non-compliant products and services enable complaint business to trade fairly	Annual Target	R350 million worth of non-compliant products identified and corrected or removed from the market				R350 million worth of non-compliant products identified and corrected or removed from the market

Strategic Goal Three: To inform and educate our stakeholders about the NRCS

NRCS strongly believes that increased awareness of the role and mandate of the regulator, as well as of technical regulations and compliance requirements contributes significantly to voluntary compliance. This goal will be achieved through effective communication initiatives, the shaping of perceptions through the media and targeted training and awareness campaigns. A positive, credible, professional image of the NRCS will shape attitudes towards compliance. A respected regulator who is perceived to be fair and effective and to hold sufficient power to enforce compliance is likely to be a deterrent to potential transgressors.

Table 3.1: Annual Targets: Goal 3: To inform and educate our stakeholders about the NRCS

Outcome	Output	Output Indicator / Measure	Audited Performance 2019/20	Audited Performance 2020/21	Audited Performance 2021/22	Estimated Performance 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
Informed Stakeholders on NRCS functions	Build Stakeholder and Public awareness	Number of stakeholder and consumer education events or campaigns	10 Consumer education events or campaigns	10 Consumer education events or campaigns	21 stakeholder and consumer education events or campaigns	21 stakeholder and consumer education events or campaigns	12 NRCS stakeholder and consumer education events or campaigns	14 NRCS stakeholder and consumer education events or campaigns	15 NRCS stakeholder and consumer education events or campaigns
		Approved Stakeholder Engagement Strategy and % Implementation of the Stakeholder Engagement Strategy	88% implementation of the Stakeholder Engagement Strategy	60% implementation of the Stakeholder Engagement Strategy	98% implementation of the Stakeholder Engagement Strategy	95% implementation of the Stakeholder Engagement Strategy	96% implementation of the Stakeholder Engagement Strategy	97% implementation of the Stakeholder Engagement Strategy	98% implementation of the Stakeholder Engagement Strategy
		Stakeholder satisfaction and impact of NRCS programs	-					Conduct stakeholder satisfaction survey	

Table 3.2: Cumulative Quarterly Targets: Goal 3: To inform and educate our stakeholders about the NRCS

Number	Output Indicator / Measure	Reporting Period	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
3.1	Number of stakeholder consumer education events or campaigns	Quarterly Cumulative	Consumer education events or campaigns	3 NRCS consumer education events or campaigns	6 NRCS consumer education events or campaigns	9 NRCS consumer education events or campaigns	9 NRCS consumer education events or campaigns
3.2	Approved Stakeholder Engagement Strategy and % Implementation of the Stakeholder Engagement Strategy	Quarterly	96% implementation of the Stakeholder Engagement Strategy				96% implementation of the Stakeholder Engagement Strategy

Strategic Goal Four: To ensure an optimally capacitated institution

This goal will be achieved when the NRCS effectively and efficiently utilises all available resources in the most optimal manner. The NRCS will have:

- Human Resource capacity that is highly engaged, skilled and competent. Effort will be focused on filling vacant positions in the approved structure
- An ICT Platform that fully supports the business with dedicated resources allocated to the modernisation review project
- A reviewed and innovated NRCS funding model
- Sound financial management and supply chain management systems
- Sound and effective support structures
- Sound and effective governance structures

Table 4.1: Annual Targets: Goal 4: To ensure an optimally capacitated institution

Outcome	Output	Output Indicator / Measure	Audited Performance 2019/20	Audited Performance 2020/21	Audited Performance 2021/22	Estimated Performance 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
Increase effectiveness of human resources (NRCS employees)	A capacitated organisation with relevant systems to support business	Percentage (%) of vacancies. Vacancy rate of approved and funded posts	6%	5%	5%	8%	8%	8%	7%
	Create employment and build a skills base through the internship program	Number of employees employed through the internship programs			21 employees	21 employees	30 employees	33 employees	35 employees
	Generate revenue to sustain NRCS operations	Percentage revenue generated against the revenue budget for levies and service revenue	-	-	-	-	95% budgeted revenue achieved	95% budgeted revenue achieved	95% budgeted revenue achieved
	Build IT platform and systems that supports and improve business	Percentage (%) of implementation of Modernization related projects	50%	45%	95%	30%	50%	100%	97%
		Implementation of ICT Master System Plan		implementation of Modernization related projects	Implementation of Enterprise Resource Planning System –Human	implementation of the NRCS Operations System	implementation of the NRCS Operations System	implementation of the NRCS Operations System	implementation of the NRCS ICT Strategy

Outcome	Output	Output Indicator / Measure	Audited Performance 2019/20	Audited Performance 2020/21	Audited Performance 2021/22	Estimated Performance 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
					Resources Modules				

Table 4.2: Quarterly Targets: Goal 4: To ensure an optimally capacitated institution

Number	Output Indicator / Measure	Reporting Period	Annual Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target
4.1	Percentage (%) of vacancies approved and funded posts	Quarterly	8%	8%	8%	8%	8%
4.2	Number of employees employed through the internship programs	Annual	30 employees				30 employees
4.3	Percentage revenue generated against the revenue budget for levies and service revenue		95% budgeted revenue achieved				95% budgeted revenue achieved
4.4	Percentage (%) implementation of Modernization related projects	Annual	50% implementation of the NRCS Operations System	-	-	-	50% implementation of the NRCS Operations System

14. NEW OR AMENDED COMPULSORY SPECIFICATIONS MOTIVATION

Title of the Compulsory Specification	Motivation for the Compulsory Specification or Amendment of the Compulsory Specification
<p>1. The compulsory specification for Crude fish oil intended for human consumption (VC 9111)</p>	<p>The South African fish oil industry need to ensure that the fish oil that is meant for human consumption is safe. Furthermore, the industry has also identified a niche market for exporting crude fish oil, intended for human consumption to identified destinations which offers value-add and employment opportunities in terms of refining the product as opposed to exporting only for animal consumption. This oil is used in the supplement production for human consumption.</p> <p>As the Competent Authority for food and associated products the NRCS requires a regulation against which the Health Guarantees to accompany all consignments of crude fish oil for export markets may be issued. The NRCS is a competent authority for monitoring and subsequent export certification/health guarantees for fishery products and already registered as such in these markets.</p>
<p>2. VC9108, Compulsory Specification for Dried abalone submitted February 2020 for first gazette (for public comments) and update as of August 2021 is that it is being processed</p>	<p>A report on an assessment of South African dried abalone (<i>Haliotis midae</i>) consumption and trade in Hong Kong published in February 2018 recommended amongst other interventions, the NRCS role to facilitate suitable export health guarantees (Traffic, 2018). The fisheries department also communicated this request for NRCS to develop a Compulsory specification. NRCS is currently regulating certain fishery products and is also recognised as a Competent</p>

Title of the Compulsory Specification	Motivation for the Compulsory Specification or Amendment of the Compulsory Specification
	<p>Authority to issue export certification or health guarantees to importing countries. This will also aid in trust of traceability matters.</p>
<p>3. VC8021, Amendment of a compulsory Specification chilled smoked finfish and smoke-flavoured finfish</p>	<p>The NRCS regulates processed fish and fishery products and canned meats. The NRCS is also recognized as the Competent Authority in South Africa for fish and fishery products by the EU and other countries, has the necessary competence and is also currently issuing the health guarantees for the export of chilled fish.</p> <p>The Ministers of Health and the dtic has concurred that the scope be expanded to cover chilled smoked finfish and smoke-flavoured finfish and products derived therefrom. Smoked fish is one of the typical food products associated with <i>Listeria Monocytogenes</i> (FAO/WHO <i>Listeria monocytogenes</i> risk assessment, 2004). This bacterium was responsible for the recent Listeriosis outbreak in South Africa during 2018 which was finally traced to processed meats i.e. Polony (www.nicd.ac.za). This regulation is therefore also meant to minimise the risk of listeriosis.</p>
<p>4. VC8017, Amendments of the Compulsory Specification for frozen fish, marine molluscs, and products derived therefrom (VC 8017)</p>	<p>NRCS encountered a challenge in the control of imported prawns which were contaminated with pathogenic bacteria. The imported fishery products are receiving more non-compliant directives as opposed to locally produced products about 78% non-compliance being on</p>

Title of the Compulsory Specification	Motivation for the Compulsory Specification or Amendment of the Compulsory Specification
<p>5. VC8031, Amendments of the Compulsory Specification for frozen shrimps (prawns), langoustines and crabs and products derived therefrom (VC 8031)</p> <p>6. Final gazette of VC8020 (frozen lobster) is also aligned with these VCs</p>	<p>imported. Having considered need for control measures, some clauses have been updated to also among other things include mandatory requirement for import health guarantee (export certification from the exporting country's competent authority) and other minor improvements. A health guarantee offers protection to the importer to reduce the risk of importing from a non-registered or non-compliant facility. This is because the local importer will be the one bearing the cost of storage awaiting decision for either destruction or sending consignments back to country of origin if the consignments are found to be not fit for human consumption.</p>
<p>7. Chilled finfish, marine molluscs and crustaceans, and products derived therefrom</p>	<p>The need to include chilled fishery products in existing regulatory requirements in the NRCS' Compulsory Specifications arises from the health guarantee service which the NRCS already provides for the export of chilled fish for a number the years. This VC will also facilitate the compliance of chilled fish from aquaculture to satisfy export destination requirements and local monitoring thereof.</p>
<p>8. VC 8022, Compulsory Specification for Motor vehicles of category M1;</p>	<p>NRCS Safer Vehicles 2025 project motivations to amend these Compulsory Specifications include the Following:</p> <ul style="list-style-type: none"> • A request from industry for the upgrading of the safety requirements in the VCs (including the referenced standards)
<p>9. VC 8024, Amendment of the Compulsory Specification for Motor vehicles of category N;</p>	

Title of the Compulsory Specification	Motivation for the Compulsory Specification or Amendment of the Compulsory Specification
10. VC 8023, Amendment of the Compulsory Specification for Motor vehicles of category M2/3;	<ul style="list-style-type: none"> A recommendation from WP29 to support the recommendations from the United Nations road safety campaign (including making some vehicle safety features mandatory). The United Nations resolution calls on governments to ensure that all new motor vehicles meet applicable minimum regulations for occupant and other road users' protection, with seat belts, air bags and active safety systems fitted as standard".
11. VC 8025, Amendment of the Compulsory Specification for Motor vehicles of category N 2/3;	<ul style="list-style-type: none"> A request from government to support the Decade of Action – Road Safety as declared by the South African Department of Transport
12. VC 8026, Amendment of the Compulsory Specification for Motor vehicles of category O 1½;	<ul style="list-style-type: none"> A request from industry to consider the findings and recommendations from the Safer-Cars-For-Africa campaign, released by Global New Car Assessment Programme (NCAP) and Automobile Association South Africa (AASA)
13. Amendment of the Compulsory specification for child restraints for use in motor vehicles	<ul style="list-style-type: none"> Findings from the Public Protector report on the illegal conversions of panel vans into passenger carrying vehicles.
14. Amendment of the compulsory specification for 15. mechanical coupling components of combinations of vehicles, VC 8065	<ul style="list-style-type: none"> A need to amend the requirements to include some of the latest product and technological developments (i.e. advanced driver assistance systems ADAS, anti-lock braking systems –ABS, electronic stability control – ESC and alternative propulsion requirements – Electric vehicles, gas fuelled vehicles
16. VC 9008, Amendment of a Compulsory specification for energy	Energy efficiency: This compulsory specification intends to drive the market towards energy-efficient products and contribute to saving electrical energy as per the Department of Mineral Resources and Energy (DMRE) energy strategy, reducing electricity cost for consumers and

Title of the Compulsory Specification	Motivation for the Compulsory Specification or Amendment of the Compulsory Specification
efficiency and labelling of electrical and electronic apparatus	reducing the negative impact of greenhouse gases on the environment. It is rolled out in pre-determined phases.
17. VC 9109, compulsory specification for energy efficiency and functional requirements for general service lamps and	The DMRE with support from the NRCS and SANEDI, proposed to introduce technology neutral technical regulation that will set minimum energy and performance standards (MEPS) for directional and non-directional, general service lamps for general illumination purposes. The objective of introducing MEPS is to improve the efficiency of lighting in the residential market (households). It forms part of the broader energy efficiency and electricity savings strategy by DMRE.
18. VC 9110, compulsory specification for safety requirements of general service lamps.	
19. VC 8006 - Amendment to the compulsory specification for flexible cords for electrical appliances	To introduce SANS 1574-2 as an alternative standard to test against and demonstrate compliance.
20. VC 9085, Amendment of the compulsory specification for cement	Final gazette – amended transitional clauses and other administrative clauses for ease of application.
21. VC 9106, Polymer film for damp-proofing and waterproofing in buildings	Polymer film is used for waterproofing and is used for water insulation and act as a moisture barrier, preventing water from entering or filtering through the various elements that make up a building. These materials are permanently added to the structures; therefore, have a direct impact on the quality and safety of buildings. The use of inferior construction materials and short

Title of the Compulsory Specification	Motivation for the Compulsory Specification or Amendment of the Compulsory Specification
	measure in the thickness of the film can negatively affect its expected performance when incorporated in buildings i.e. fail to prevent moisture penetration in buildings and thus pose health, safety and environmental risks to occupants of those buildings.
22. VC 9092, Amendment of the Preservative treatment of timber.	Amendments to improve effectiveness and efficiency of VC 9092 as well as aligning the referenced standards accordingly to ease application of this compulsory specification.
23. VC 8087, the Compulsory Specification for plastic carrier bags and flat bags.	Periodic review to address the gaps identified in the interventions for plastic pollution (DFFE-NRCS MOU). Plastic pollution has become a pervasive environmental issue and has gained considerable attention in recent years. The amended VC 8087 incorporates the new types of eco-friendly and alternative materials that may be used to construct plastic carrier bags and flat bags. It will also address the limit of filler materials and other additives which will result in more durable bags and high-quality recycle materials at the end of their life cycle.
24. VC 8072, Respiratory protective devices (RPDs)	Periodic review to address some challenges with the implementation i.e. The VC does not include the equivalence of standards for products that are manufactured to other Regional Standards. To also address administrative clause to manage the active role players database to ease implementation.

Title of the Compulsory Specification	Motivation for the Compulsory Specification or Amendment of the Compulsory Specification
25. VC 8079, The control of gaming devices and related apparatus	Periodic review has necessitated amendment of this VC to ensure the requirements are relevant in terms of technology and as per the current product offerings. The VC need to also be updated to include the administrative process and the normative references.
26. Legal metrology technical regulation for Kingpin measuring instruments 27. Tyre tread measuring instrument	The Road Traffic Management Corporation submitted a list of measuring instruments to be regulated in terms of Legal Metrology regulations.

15. OUTPUT TARGETS WITHIN THE DTIC-GROUP OF ENTITIES

Investment

Output
R200 billion in investment pledges secured across the state
100 Investor facilitation and unblocking interventions provided
2 new SEZs designated and support work with provinces related to industrial parks

Industrial production

Output
R40 billion in additional local output committed or achieved
R40 billion in Black Industrialist output achieved

Exports and trade

Output
R700 billion in manufacturing exports
R300 billion in manufacturing exports to other African countries
R2.5 billion in exports of Global Business Services (GBS)
1 Implementation of the AfCFTA
10 High impact trade interventions completed
4 Protocols finalised under the AfCFTA

Industrial support

Output
R30 billion in support programmes administered by or in partnership with the dtic group
R15 billion support programmes to enterprises in areas outside the 5 main metros
R8 billion in financial support programmes to SMMEs, and women and youth-empowered businesses
R7.5 billion in financial support programmes to enterprises in labour absorbing sectors
Promotion of a transparent and just adjudication process for incentive applications

Transformation

Output
R800 Million in Equity Equivalent Investment Programme agreements agreed or administered
20 000 additional workers with shares in their companies
10 high-impact outcomes on addressing market concentration, at sector or firm level.

Jobs

Output
1 million jobs supported or covered by Master Plans
100 000 jobs to be created (50 000 social economy fund part-time or temporary job opportunities and 50 000 full-time jobs)
23 000 jobs in Black Industrialists firms

Energy

Output
R1.3 billion in financial support to enterprises including SMMEs to mitigate impact of load shedding through energy resilience fund
1400 Megawatts of energy from projects facilitated
550 Megawatts of energy available for the grid
1 Energy One-stop Shop operational
Expedited regulatory amendments and flexibility, to promote energy efficiency

Green economy targets

Output
1 Strategy and advocacy finalised responding to green non-tariff barriers (Carbon Border Adjustment Mechanism (CBAM))
1 EV Strategy finalised
1 Finalisation of green hydrogen commercialisation framework

Stakeholder engagement and impacts

Output
10 Business Forums hosted aimed at supporting increased FDI, exports and outward investment.
1000 Case studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures: including 12 local films/documentaries telling the SA story
52 Community outreach programmes by the dtic group
5 Conferences, summits, and international forums hosted
10 Successful actions completed on price monitoring and excessive pricing or price gouging

Addressing crime

Output
Grey-listing: Publication of 'Know Your Shareholder' Regulations and Follow Ups
1 Metal trading system developed to identify stolen public infrastructure entering the scrap metal value-chain, export market or legitimate metal production industry

Red tape and state capability targets

Output
4 High-impact measures to improve the efficiency and/or effectiveness, of the dtic's policy or programme interventions.
10 High-impact measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies
6 Impact assessments or enhancements of trade instruments or measures

Improving the capacity and responsiveness of the state and social partnership

Output
4 Pieces of priority legislation amended, tabled or submitted to Executive Authority, Cabinet or Parliament.
7 Master Plans managed and 1 new masterplan to be finalised.
Oversight of IDC, NEF and ECIC to ensure that at least 95% of planned KPIs are achieved
Oversight of other entities to ensure that at least 95% of planned KPIs are achieved
50 Mergers and acquisitions where public interest conditions have been incorporated

16. UPDATED KEY RISKS

		Inherent Risk			Residual Risk			
		Impact	Likelihood	Total	Impact	Likelihood	Total Risk	
Risk/Threat		Impact						
Ineffective Regulation of the market/Unregulated products/services	the	Public/ environment exposure to unsafe products - Reputational damage to the NRCS	4	4	16	4	3	12
Non-compliant regulated products in the market		Non achievement of NRCS objectives	4	5	20	4	4	16
Inadequate sanctioning of non-compliances	non-	Unsafe products available on the markets	5	4	20	5	3	15
Financial Sustainability of the NRCS		Inability to continue as Going Concern- Non achievement of NRCS objectives	5	4	20	5	4	20

Inadequate IT Systems	Ineffective regulator or failure to deliver on NRCS Mandate	5	5	25	5	4	16
Fraud and Corruption	Reputational damage to the NRCS/ Financial loss	4	5	20	4	3	12
Inadequate compliance with legislation (NRCS Act, PFMA, POPIA, NRCS Act and other related legislation)	Reputational adamage and Financial Loss	5	4	20	5	3	15
Inadequate Human Capital Management	Non-achievement of NRCS objectives	5	4	25	4	3	12

17. OVERVIEW OF 2023/24 BUDGET AND MTEF ESTIMATES

	Audited outcome	Audited outcome	Audited outcome	Approved budget	Medium-term estimate		
					2023/24	2024/25	2025/26
R thousand	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Administration	49,443	49,316	58,676	77,810	86,261	81,632	85,289
Maximise compliance with all specifications and technical regulations	290,663	291,071	307,306	374,104	383,899	411,930	430,384
Develop, maintain and administer compulsory specifications and technical regulations	8,962	9,423	9,102	12,630	11,156	13,811	14,430
Inform and educate stakeholders on the regulator's mandate	6,970	12,114	12,440	16,030	16,673	17,570	18,357
Ensure an optimally capacitated institution	79,128	80,909	96,040	90,513	99,048	100,214	104,703
Total expense	435,166	442,833	483,564	571,087	597,037	625,156	653,163

Statement of Financial Performance

Statement of financial performance	Audited outcome	Audited outcome	Audited outcome	Budget estimate	Approved budget	Medium-term estimate		
	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
R thousand								
Revenue								
Sale of goods and services other than capital assets	325,645	285,621	323,301	411,364	409,267	429,784	449,305	469,657
<i>Other non-tax revenue</i>	27,382	15,353	15,427	14,264	14,271	13,241	15,568	16,265
Transfers received	139,501	126,126	144,099	147,560	147,560	154,012	160,704	167,680
Total revenue	492,528	427,100	482,827	573,188	571,098	597,037	625,576	653,603
Expenses								
Compensation of employees	335,470	357,263	373,075	442,140	439,538	454,709	482,227	503,831
Goods and services	92,616	75,723	102,888	122,259	124,769	133,151	133,344	139,318
Depreciation	7,013	9,588	6,408	8,508	6,493	8,882	9,279	9,694
Interest, dividends and rent on investments	67	259	1,193	281	288	293	306	320
Transfers and subsidies	-	-	-	-	-	-	-	-
Total expenses	435,166	442,833	483,564	573,188	571,087	597,036	625,157	653,164
Surplus/(Deficit)	57,362	(15,733)	(737)	-	11	1	420	439

Statement of financial position

Financial position	Audited outcome	Audited outcome	Audited outcome	Budget estimate	Approved budget	Medium-term estimate		
	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Carrying value of assets <i>of which:</i>	33,393	38,328	34,984	119,606	71,652	81,048	89,277	86,128
Investments	323	323	568	346	346	362	379	396
Inventory	–	–	–	–	–	–	–	–
Loans	–	–	–	–	–	–	–	–
Accrued investment interest	–	–	–	–	–	–	–	–
Receivables and prepayments	109,177	116,292	132,637	72,873	139,752	126,236	145,786	157,314
Cash and cash equivalents	297,345	237,952	199,781	135,000	152,441	109,724	69,324	27,363
Non-current assets held for sale	–	–	–	–	–	–	–	–
Defined benefit plan assets	–	–	–	–	–	–	–	–
Taxation	–	–	–	–	–	–	–	–
Derivatives financial instruments	–	–	–	–	–	–	–	–
Total assets	440,238	392,895	367,970	327,825	364,191	317,369	304,767	271,202
Accumulated surplus/(deficit)	347,683	291,893	264,817	255,987	281,536	243,521	228,114	197,145
Finance lease	–	–	–	–	–	–	–	–
Accrued interest	–	–	–	–	–	–	–	–
Deferred income	–	–	–	–	–	–	–	–
Trade and other payables	67,277	49,956	58,407	25,550	45,800	38,550	39,100	34,500
Benefits payable	–	–	–	–	–	–	–	–
Capitalised value of pensions	–	–	–	–	–	–	–	–
Taxation	–	–	–	–	–	–	–	–
Provisions	25,278	51,046	44,746	46,289	36,855	35,298	37,553	39,557
Managed funds (e.g. poverty alleviation fund)	–	–	–	–	–	–	–	–
Derivatives financial instruments	–	–	–	–	–	–	–	–
Total equity and liabilities	440,238	392,895	367,970	327,826	364,191	317,369	304,767	271,202

Cash-flow Statement

Cash flow data	Audited outcome	Audited outcome	Audited outcome	Budget estimate	Approved budget	Medium-term estimate		
R thousand	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Cash flow from operating activities	97,826	(14,418)	562	27,260	27,260	8,360	11,650	10,630
Receipts								
Sales of goods and services other than capital assets	294,825	260,618	294,416	357,000	357,000	365,000	385,000	402,248
Other sales	—	—	—	—	—	—	—	—
Other non-tax receipts	21,531	10,822	10,822	9,500	9,500	8,000	7,100	6,100
Transfers received	139,501	126,126	144,099	147,560	147,560	154,012	160,704	167,680
Financial transactions in assets and liabilities	—	—	—	—	—	—	—	—
Total receipts	455,857	397,566	449,337	514,060	514,060	527,012	552,804	576,028
Payment								
Current payments	358,031	411,984	448,775	486,800	486,800	518,652	541,154	565,398
Compensation of employees	267,297	357,083	377,922	401,000	401,000	419,000	435,000	454,488
Goods and services	90,734	54,901	70,853	85,800	85,800	99,652	106,154	110,910
Interest and rent on land	—	—	—	—	—	—	—	—
Total payment	358,031	411,984	448,775	486,800	486,800	518,652	541,154	565,398
Cash flow from investing activities	(8,048)	(44,713)	(37,325)	(20,600)	(74,600)	(46,077)	(47,050)	(47,590)
Acquisition of property, plant, equipment and intangible assets	(7,391)	(7,058)	(44)	(5,600)	(5,600)	(5,852)	(7,050)	(7,366)
Investment property	—	—	—	—	—	—	—	—
Acquisition of software and other intangible assets	(657)	(7,320)	(5,835)	(15,000)	(15,000)	(5,225)	(5,000)	(5,224)
Other flows from investing activities	—	(30,335)	(31,446)	—	(54,000)	(35,000)	(35,000)	(35,000)
Cash flow from financing activities	(22,908)	—	—	—	—	—	—	—
Deferred income	—	—	—	—	—	—	—	—
Borrowing activities	(22,700)	—	—	—	—	—	—	—
Repayment of finance leases	(208)	—	—	—	—	—	—	—
Other flows from financing activities	—	—	—	—	—	—	—	—
Net increase / (decrease) in cash and cash equivalents	66,870	(59,131)	(36,763)	6,660	(47,340)	(37,717)	(35,400)	(36,959)

Capex budget

Category	Total	2023/2024	2024/2025	2025/2026
Building structure	47,505,000	35,000,000	12,500,000	5,000
furniture	13,480,000	6,680,000	6,200,000	600,000
hardware	23,700,000	13,500,000	5,200,000	5,000,000
Lab Equipment	7,193,295	4,193,295	1,600,000	1,400,000
Office equipment	394,500	134,500	130,000	130,000
OTHER	2,850,000	2,700,000		150,000
software	44,000,000	29,000,000	10,000,000	5,000,000
Total	139,122,795	91,207,795	35,630,000	12,285,000

Capital Expenditure Projects and Infrastructure Plans:

Capital expenditure, including infrastructure plans, includes the following:

- Refurbishment of the Port Elizabeth building (office accommodation) with the intention of NRCS occupying this building, \
- Refurbishment of the NRCS Pretoria Offices
- Replacement of ICT equipment and procurement of new ICT software and hardware
- Replacement and procurement of new laboratory equipment

Dividend Policy

NRCS does not declare dividends.

18. ANNEXURE A: NRCS ICT STRATEGY

i. Executive Summary

The purpose of this strategy is to put in place a framework which will help the NRCS to focus its ICT resources on delivering organizational requirements, and to achieve its objectives. The ICT strategy will seek to achieve the following **mobility, interoperability, integration, sustainability** and implement early warning systems in line with the NRCS strategic objective of a Risk based model.

The Strategy explores these principles with a view to arriving at the best possible fit to ensure that the ICT Department's mission will enable our clients to access the information and services necessary to do their jobs at all times. The strategy sets out its focus areas, technical solution, road map and future plan (five years) to improve the IT Infrastructure, systems and services, enabling the NRCS to achieve its goals.

The recommendations contained in this strategy aim to put in place an ICT infrastructure that is sufficiently reliable, flexible and cost effective not only to meet today's demands, but also to provide the capacity for future growth and the ability to implement new technologies in a timeframe that maximises the benefit to the NRCS and its stakeholders.

The figure below illustrates the IT strategy framework to be followed as a guideline to define the IT strategy, the framework aligns with the NRCS business strategy and objectives to develop an IT strategy that enables business plans.

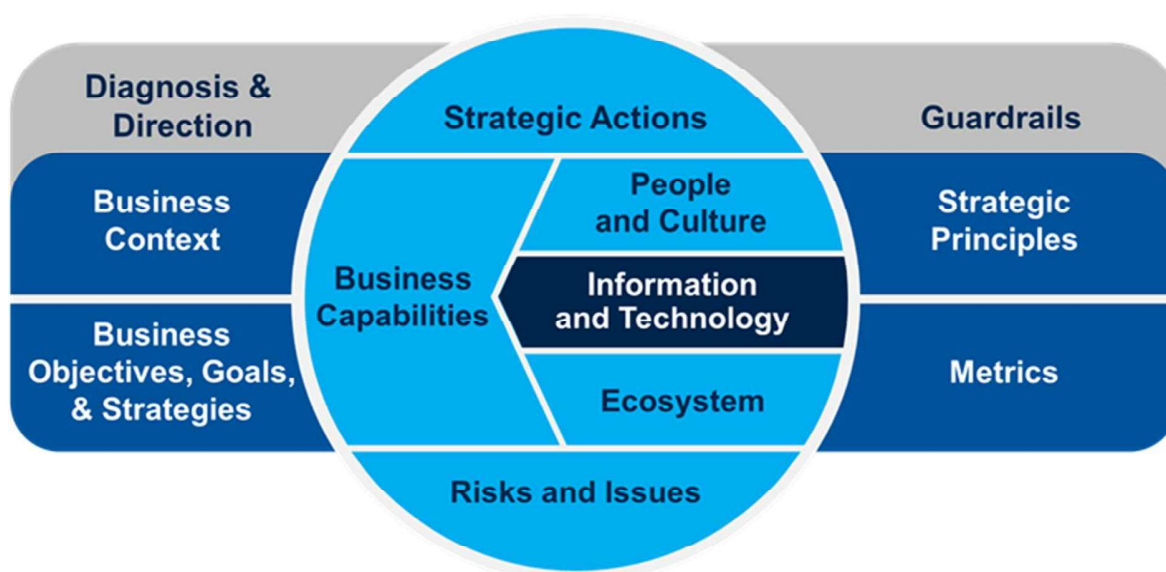


Fig 1: Gartner IT Strategy Framework

ii. Executive Summary

The NRCS Information and Communication Technology is in a process of implementing key projects in responding to the NRCS Strategic Plan. The implementation of an IT Infrastructure capable of meeting the NRCS IT needs is critical in achieving the strategic goals of the Organization. The IT infrastructure is the backbone to enable all systems that the NRCS will require in achieving these goals as set on the strategy. The ICT strategic choices are an implementation of a Customer Relationship Management System (CRM) and Enterprise Resource Planning (ERP) systems which will include but not limited to Human resources, Payroll, Supply Chain Management and Financial management modules. The CRM system will support the regulatory functions in the approvals, inspection processes, and to manage NRCS clients. The recommendations are that NRCS management give ICT full support to participate and benchmark against the best practice in the world, to track and keep up with the latest technology and to provide ICT with budget that will enable the roll out of the ERP and CRM systems, in responding to the NRCS business objectives.

iii. Business context

The NRCS has embarked on a process to review the business needs in a holistic manner. This would require an analysis of the core and supporting business activities, and their underlying processes to determine where these activities are efficient and where they can be improved. The business review process will also include the specification design for the implementation of an ERP solution and CRM system for the organization. The main business objective is to introduce improvements on key business processes and controls, thereby rendering them to be effective, efficient and flexible to meet new business demands.

a) External Influences & Drivers for the ICT

a. Rapid Changes in technology

- The way in which technology changes is a driver in how we plan and manage the IT Estate. The Internet, wireless networking, broadband, data/ IP telephony integration, video conferencing, “mobile” and “intelligent” devices are already influencing the way in which a company delivers and supports its core services and is placing ICT department under constant pressure to accommodate a diverse range of devices, software and services.
- Rise of flexible working and tele-commuting.
- More technology players, lower cost of communications & technology, such as Smartphone's
- Ease of access to information requirements.

- The rise of ‘big data’, predictive analytics and intelligent forecasting and reporting tools.

Availability of “off the shelf” software to impact ICT process, e.g. recording, tracking and reporting. It is important for IT departments to anticipate future demands for infrastructure capacities, IT skills and service delivery models. This can only be achieved if we aggressively participate in the global village, benchmark against the best in the world.

b. Changes in Sourcing IT and Service Delivery

The ICT industry is innovating in the way services are provided. There are various ways of sourcing ICT Services like SaaS (*Software as a service*), PaaS (*Platform as a service*) where services are provided in the cloud. Outsourcing, managed service agreements, utility based charging are becoming common options for sourcing IT services. The NRCS will constantly assess and adjust its ICT provision to optimize its sourcing arrangements to ensure mobility, interoperability and sustainability.

b) SWOT Analysis

We used the SWOT framework to analyze the ICT organization’s strengths, weaknesses, opportunities and threats as shown in Figure: 1 below:

<ol style="list-style-type: none"> 1. High levels of staff commitment 2. Client satisfaction 3. Good understanding of the core business by ICT staff 4. Adequate controls and procedures are consistently applied (Policies & Procedures) 5. Increasing dependence on ICT by the business 	<ol style="list-style-type: none"> Under resourced or Limited Resources (Staff & Equipment) Security stance falls short of best practice Diversity of inherited technical architecture Lack of Urgency in Policy Implementation IT is not a decision maker
<ol style="list-style-type: none"> 1. Involvement of ICT in organisation's decision making process (ICT being a business enabler) 2. New technologies can provide new functionality and business value. 3. Increasing ICT literacy of users 4. Cost saving through ICT systems 	<ol style="list-style-type: none"> 1. The lack of representation in decision making committees like EXCO. 2. Business Units making decisions and commitments which impact on ICT Department without consultation 3. Limited Staff/IT Resources 4. Turnaround time in acquiring new technology 5. Rapid Changes In Technology. 6. Abuse of ICT Resources 7. ICT not regarded as a business partner.

Figure 2: SWOT Analysis

Based on the SWOT analysis above, it is recommended that IT implement an IT structure and source additional resources and close the gap to improve service delivery to its stakeholders. Also management to support the IT business unit strategically and financially, working together to achieve NRCS business objectives.

iv. Business Objectives

The NRCS aims to achieve its mandate through the following core business process as outlined below:

- Review and innovation - to develop an effective quality assurance process to ensure that a culture of ongoing learning, improvement and innovation is cultivated, to ensure that the required impact of the regulator is achieved.
- Conduct research - to determine those compulsory specifications and technical regulations that should be introduced to ensure that the health and safety of the South African public and the environment are protected, as well as to ensure fair trade. Market surveillance and regulatory supervision – To maximize compliance with all specifications and technical regulations.
- Set compulsory specifications and technical regulations – To develop, maintain and administer compulsory specification and technical regulations
- To inform and educate our stakeholders about the NRCS
- To ensure an optimally capacitated institution

4.1 ICT Strategic Objectives

The ICT business unit has focussed its strategic directions through the following objectives in order to achieve the business objectives above.

- 4.1.1 **Accessibility** - The provision of reliable, quick and secure access to NRCS information services.
- 4.1.2 **Mobility**- Ensuring access to NRCS information and systems by staff and customers while they are remotely performing their duties to improve productivity.
- 4.1.3 **Collaboration**- Ensuring interoperability between information systems and with other organizations and their information systems (inter departmental and external Information sharing).
- 4.1.4 **Security**- Ensuring authorized access to NRCS information systems and the dissemination of such information. (The NRCS cannot afford that the IS/ICT components become compromised as this may seriously jeopardize the core objectives that the NRCS is required to perform).
- 4.1.5 **Presentation** - Ensuring the presentation of management information to assist in decision-making processes – Support for optimally capacitated institution
- 4.1.6 **Analysis** - Enabling the analysis of regulatory information, organizational resource and administrative information for better future planning.
- 4.1.7 **Stability** - To ensure a stable IT environment with early warning systems.
- 4.1.8 **Responsiveness** – To ensure IT is responsive to the NRCS business needs.

5. Mission and Vision

5.1 Mission

ICT Department's primary function is to support the business in its day-to-day activities and considers its mission to be:

“To provide appropriate Information and Communication technologies that will enables our clients to access the information and services necessary to perform their functions.”

This will be our mission for the next 5 years however, ICT Department would like to develop its abilities, skill sets and resources to a point where it can focus more on increasing business productivity and adding strategic value.

5.2 Vision

“ICT Department will become an enabler of change within the Organization, by assisting Business units to enhance productivity through the innovative use of technology.”

6. Strategy Goals

To modernize NRCS business processes through the following:

- Roll out a new ERP system
- Roll out a new Regulatory Operations System
- Improving IT capability maturity to improve productivity.
- Benchmark against best practices every year to maximize the use of ICT.

6.1 The benefits of implementing the IT Strategy for the NRCS.

ICT Department believes this strategy will result in:

- Compliance with IT Governance as stated in the King IV report on IT Governance
- Compliance with DPSA on ITCG
- ICT Department staff having time to engage with the business, and research and introduce innovative solutions.
- Documentation of processes leading to less dependence/pressure on key individuals;
- Reduced technological complexity
- Improved involvement, understanding and ownership by Business Units of projects involving ICT;
- ICT department's annual Business/Project Plans being clearly linked to the overall strategic direction of the Organization;
- improved income collection capability by implementing better systems (completeness of revenue);
- Better communication and more effective public relations through customer relations management systems.

7. IT Strategic Choices

The main business objective is to introduce improvements on key business processes and controls, thereby rendering them to be effective, efficient and flexible to meet new business demands. The NRCS IT has chosen the following strategic choices within the next Five (5) years to be able to function and to have a competitive edge as illustrated on the table below:

System Name (Strategic Choices)	Purpose of the System – Business value
ERP System Implementation covering Financial Systems, Payroll and Human Resource Information System	Financial systems will enable the NRCS to be able to manage its finances and complying with statutory requirements and also keeping records. The system will incorporate auditable trails and early warning system to avert potential fraud. The payroll management system for the management of payment of salaries that is reliable with early warning system for potential fraudulent activities.
	The HRIS will enable the NRCS to manage human resource using online technologies which includes E-Appraisal, E-Claims, E-Leave, E-Booking, E-Training, E-Library and E-Payslip.
Operations/ Regulatory Management System – Approvals and Inspection System	The Approvals and Inspection System will enable field workers to access and record valuable information that will assist them in making critical decisions on site. This system will also enable field workers to capture information instantly and such information will be available for use in decision making within a short space of time as compared to weekly or monthly.

Table: 1

7.1 Business Capabilities

7.1.1 People and Culture

a. Capability Maturity Model

The central message behind these models is that the more formalized and mature an organization's ICT management processes become, the closer ICT investments are aligned with the business and the more value is derived from those investments. The term "IT Governance" is increasingly used to describe the processes an organization implements to assure that its ICT investments generate business value and to mitigate the risks that are associated with ICT projects. Gartner has developed a 5 level capability maturity model for service and operations management as shown in the Figure below.

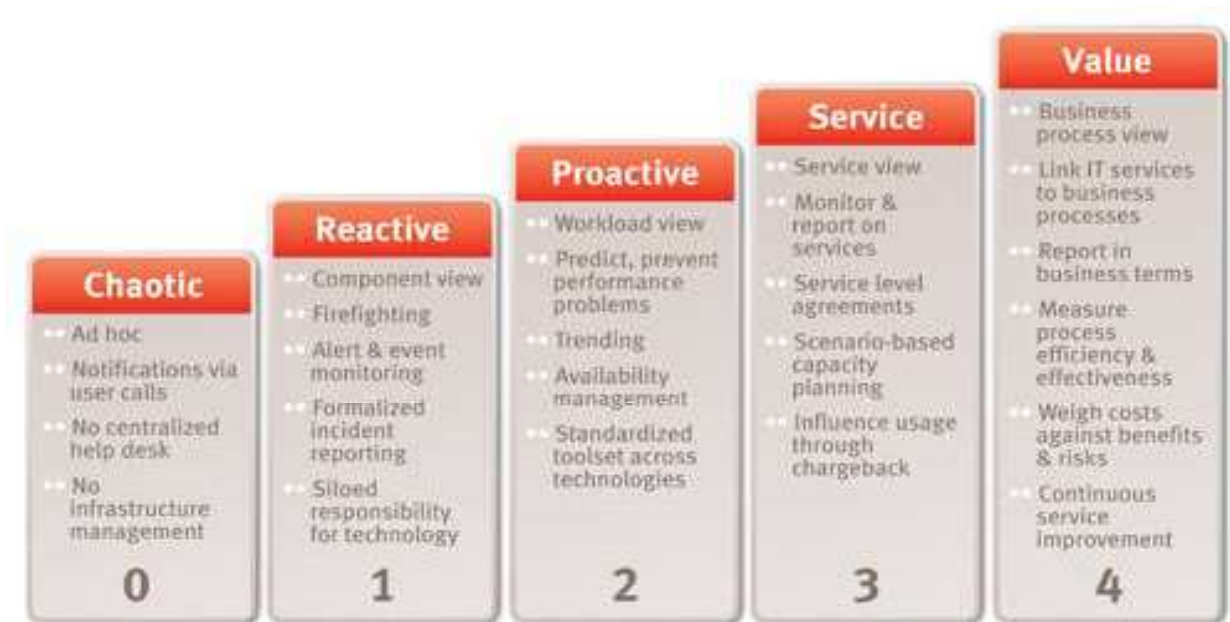


Figure 3: Gartner Capability Maturity Model

According to research from Gartner the vast majority of organizations processes operate at either level 1 or level 2, with as little as 12% reaching level 3 and 1% operating at level 4.

Within the NRCS, the ICT Department believes that while most of our processes operate at level 1, some are still at level 0. The NRCS needs to operate at between level 2 or 3 in order to be able align ICT with Business objective and reap the reward of ICT investment. ICT is striving to improve from level 1 to level 2 within the next 5 years, this will be achieved through putting in place controls and best practices to be able to predict and prevent risks associated with ICT use and to ensure a reliable, secures and accessible IT Infrastructure.

b. The VCS (Value, Capacity and Support) business model

In order for the ICT department to succeed, the following success factors as per the VCS business model should be carefully considered, which is adding value with necessary capacity to implement and there is sufficient support to ensure that the ICT department will not fail.

THE VCS BUSINESS CASE
MODEL

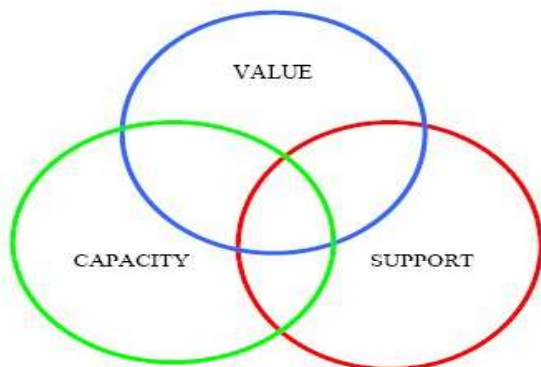


Figure 4: The VCS Business Model

The balance between Value, Capacity and support should be struck in order for the IT department to function properly. Some of these positions can be filled temporary when they are needed through consulting. Consulting is widely used within the ICT environment in cases where a resource is required to fulfill a task that is not permanent but critical, i.e developing a database. The ICT Department will consider using these means to ensure that the NRCS get value for money from all its resources.

7.2 Ecosystem

NRCS will continue its joint operations with SARS to be able to gain accurate timely data about the movement of goods in and out of borders, ports of entries etc. this process will be automated and integrated with the relevant stakeholders to improve broader management process.

ICT aims to advance in technology and transform NRCS systems to keep up with the collaboration and ecosystems that face the NRCS and its stakeholders, such as Industrie 4.0, Internet of things. The IT Strategy will cultivate the culture of change and innovation with NRCS internal and external users, embarking the missteps as bridges to future success. This will be achieved through development of data governance, privacy and security frameworks to embrace virtual agents by implementing adaptive data governance processes.

7.3 Information and Technology

7.3.1 Governance structure

ICT management is expected to implement structures, processes and governance mechanisms for the effective and efficient management of ICT to facilitate the achievement of corporate objectives. In addition to ensuring that the risks and costs associated with IT are properly controlled, IT will measure and manage IT performance and report the results to the Executive and related Committees (ARC & IT Steering Committee).

The ICT Strategy must have the backing of the NRCS IT Steering Committee and will be under the overall direction of the CEO of NRCS, operationally it will be managed by the Chief Information Officer (CIO). The strategic goals defined within the ICT Strategy will be linked to a more detailed IT annual/project plan with detail budgetary provision made through the Annual Planning Process.

7.3.2 Management Responsibilities through IT Steering Committee

The Accounting Authority should specify the decision rights and accountability framework to encourage the desirable culture in the use of IT. A risk committee and audit committee should assist the NRCS Management in carrying out its IT responsibilities. The IT steering committee will assist and advise the Chief Information Officer (CIO) with ICT governance and in fulfilling the mandate to the Organization. *Reference from King IV on IT Governance*

7.3.3 ICT responsibility

ICT Governance - The ICT Department will implement IT controls framework which comprises of Accounting controls (“General” controls, Application” controls and “User” controls) and Administrative controls. Review current policies and procedures and also implement new ones to ensure they meet current requirements as per audit guidelines. All ICT policies will be made available to NRCS employees.

Legal requirements - The NRCS will comply with all legislation relating to Information and Communication Technology.

User Support - To implement a reliable infrastructure capable of addressing the NRCS business need. Continuous improvement of IT resources to ensure user satisfaction.

Staff Competencies - ICT Staff Skills – In order to meet developments in ICT and changing needs, technical skills of IT staff will continue to be developed through a variety of learning

means. The ICT Department will provide a Skills Development Plan (SDP) for its staff in accordance to the needs.

Staff complement – to consider and implement an IT structure to fill the gap, balance the needs of NRCS business and to improve ICT productivity and service delivery.

8. ICT Strategic plan and Principles

The NRCS ICT strategy will be achieved by providing the required resources, allocation of a budget fit for the needs of the organization and prioritizing the IT Agenda in the NRCS.

8.1 The following strategic principles have been set to provide guidance while making ICT initiatives and decisions towards achieving the IT Strategy.

Strategic Principles	Strategic Action Plan
Mobility	The Approvals and Inspection System (CRM) - will enable field workers to access and record valuable information that will assist them in making critical decisions on site. This system will also enable field worker to capture information instant and such information will be available for use in decision making within a short space of time as compared to weekly or monthly.
Interoperability	This will be achieved through adoption of open standards based hardware, software and protocols, in order to ensure on going interoperability, it will be required that IT equipment must not be retain for more than 5 years. ICT will maintain the infrastructure for the NRCS core IT services on a rolling programme basis and formally address equipment replacement and systems upgrade.
Sustainability	To Sustain the IT environment with necessary improvements by ensuring the continuation of ICT delivery and performance levels, this will be accomplished by maintaining and enhancing current systems, expanding and renewing tools and equipment, Applications and ensuring that there is sufficient User Support for these systems

	This ICT Goal and Strategy aims at ensuring the continuous availability, effectiveness and efficiency of current ICT that are utilized by the NRCS in pursuit of all its priorities.
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Table:2 Strategic Principles

8.2 Based on the IT Vision, mission and Goals the following key objectives have been identified and will be achieved using the COBIT5 framework

Strategic Objectives	Strategic Action plan
Accessibility	To provide reliable, quick, secure and user friendly access to NRCS information services
Mobility	Ensuring access to NRCS information and systems to both our internal and external users.
Collaboration	Ensure information sharing amongst NRCS stakeholders (inter departmental and external Information sharing).
Security	Ensure critical and confidential information, and IT assets is only available to those who need it.
Analysis	Enabling the analysis of regulatory information
Integration	To ensure that ICT systems are integrated and can share the information and data
Stability	To ensure a stable IT environment with early warning systems.

Presentation	Ensuring the presentation of management information to assist in decision- making processes
Responsiveness	To ensure IT is responsive to the NRCS needs

Table:3 Strategic Objectives

9. Metric's

9.1 Implementation Plan (Roll out Plan)

The Implementation plan is a management tool with will assist in realizing the strategy. The implementation plan or rollout plan of the strategy will be outline in detail on the IT plans and matrix which will be monitored on a monthly basis through internal IT reporting. The Implementation Plan provides a prioritized list of activities that the IT Department will be doing for the financial year in question.

9.2 Service Delivery Model

More cost effective ways of acquiring ICT are through techniques as insourcing, outsourcing, transaction-based pricing and open source software. ICT will contribute to the NRCS finances and risk management through adoption of appropriate cost effective models through outsourcing its services to service providers to deliver value for money through cost-efficiency and lower total cost of ownership. Optimize the IT applications, infrastructure, resources and capabilities to support the NRCS.

10. Risks

The inevitable increasing use of the internet and the accommodation of access to user owned devices (laptops, tablets, PDAs, etc) from remote and unknown locations create security risks that can severely disrupt ability of the NRCS to function normally. Information breaches, denial of service, hacking, sabotage and theft is a major concern, also most prevalent are virus attacks which are becoming more pervasive and sophisticated requiring rapid responses to contain and remove, Thus the maintenance of a stable infrastructure is now as important as new developments.

The NRCS IT will ensure that proper risk assessment and risk mitigation is in place to identify, prevent or reduce any major disruptions. The key focus will be directed to the ability of the ICT department to regain services in case of disasters caused by these risks. This will be achieved through the development and adoption of Information Technology Policies and Procedures to help manage the risks to information and information systems in all forms. Additionally, all areas of the NRCS will be required to carry out a risk assessment at least annually and to take action appropriate to the risks identified. ICT will act as a centre of expertise and support all areas of the NRCS as needed for IT security, IT disaster recovery and information back up in compliance with Minimum Information Security Standards (MISS).

11. Conclusion

It is the NRCS's ability to respond to the changing needs of the core business that makes the design proposal in this strategy so compelling. Implementing fundamental changes of this magnitude will require careful planning and expert project management. Many of the software and hardware products that are proposed in this strategy will be new to the ICT staff, the intention is to build implementation teams made up of internal staff and external experts so that the relevant knowledge and skills are acquired during the implementation cycle. The staffing profile in the ICT Department will change in line with the proposal in the strategy. Acquiring a new infrastructure will be costly in the short term but however the investment in technology must be part of the overall strategy to improve service delivery and achieving the NRCS's goals.

19.ANNEXURE B: SUMMARY OF HUMAN RESOURCES STRATEGY

In ensuring that the organization delivers on its mandate, the Human Resources Unit's role remains that of delivering the required human resource capacity to the organization.

a. Functions of Human Resources Services

Focus Area	Functions
Talent Acquisition and Retention (Recruitment and Retention of competent employees)	<ul style="list-style-type: none"> Attracting and hiring competent employees to fulfil the mandate of the organisation for all NRCS business units and regions Provide support to hiring managers during the recruitment and selection process Conduct exit interviews in order to assess the overall employee experience within the organization and identify opportunities to improve retention and engagement.
Human Resource Management and Administrative Services	<ul style="list-style-type: none"> Administration and management of employee information Provide management information (reporting) Policy development, review and implementation
Remuneration & Benefits administration	<ul style="list-style-type: none"> Develop remuneration and reward strategy in line with best practices Develop and implement reward and recognition programmes aimed at attraction and retention of employees Manage effective implementation of NRCS remuneration system Administration of employees' benefits through effective and accurate payroll input system
Organisational Development and Transformation	<ul style="list-style-type: none"> Efficiency management through business optimisation and continuous improvement. Effective implementation and maintenance of the Performance Management system Develop and implement a Change Management intervention to ensure effective implementation of NRCS strategic objectives Organisational transformation through effective stakeholder management and communication as well as through implementation of the employment equity requirements thus promoting diversity in the workplace Job profiling and job grading to ensure standard remuneration practices for all jobs of equal value for equal pay
Learning and Development	<ul style="list-style-type: none"> Endeavour to transform NRCS into a learning organisation Development and implementation of training initiatives through the Work Place Skills plan and Competency Development Programmes to ensure capacity building to deliver on NRCS mandate

Focus Area	Functions
	<ul style="list-style-type: none"> • Manage and maintain training standards in line with statutory requirements • Facilitate outcome-based accredited learning programmes through accredited service providers • Develop and implement knowledge management governance structure and management tools • Induction and Orientation programmes to effectively on-board new employees • Administration of the bursary system to ensure adequate skills supply
Employee Relations	<ul style="list-style-type: none"> • Render advisory services in terms of employer-employees' relations as governed by the various labour laws • Create a suitable labour environment for the NRCS to effectively carry out its mandate • Build sound labour relations within NRCS and with external stakeholders • Facilitate the grievances and Disciplinary processes to ensure correction of ineffective behaviours • Provide dispute resolution services • Undertake stakeholder management and effective communication
Occupational Health and Safety; Employee Wellness	<ul style="list-style-type: none"> • Provide programs and frameworks in the workplace in order to help identify potential risks and hazard. • Put systems in place to reduce hazards and risks in the workplace • Put systems and programmes in place to provide for employee wellbeing within the NRCS while improving employee engagement and building individual resilience • Promoting and supporting employee wellbeing.

b. Situational analysis

Human Resources Division offering to the NRCS is largely administrative. The challenge is to move towards a highly geared team with the optimal leverage of operational and strategic levels. From a delivery perspective, business processes and technology play an integral role in the execution of an effective Human Resources strategy. The recent Human Capital digital solutions should provide efficiency on business initiatives as well as decision making.

i. External Analysis

The NRCS management recognises the economic, social and political environment (within South Africa) that exists and within which the NRCS operates. Factors with significant implications for the NRCS Human Resources management relate to the changing composition of the South African workforce, in terms of age, gender and racial distribution. The NRCS

seeks to ensure that its workforce is a reflection of the South African population demographics, in line with governmental policies.

NRCS will continue to analyse and remove the systemic organisational barriers to designated groups' advancement and encourage diversity in all levels of the organisation. Programmes such as a new Employment Equity Plan and Employment Equity efforts are vital in ensuring a diverse workforce.

A comprehensive approach to personal and professional development through the Integrated Talent Management Programme is necessary for the NRCS to create an environment conducive for both organisational development as well as individual career development that will contribute to ongoing job satisfaction and improve retention of employees.

ii. Internal environment

Within NRCS, the Human Resources Unit is a centralised function that operates within a complex and dynamic framework where a range of external challenges intersect with the unique technical environment. Its role is to provide advice and support to business on Human Resources issues. Within this framework, effective Human Resources management processes that facilitate continual employees learning and development (creating a learning organisation), improve leadership capacity in the technical areas and encourage skills transfer between experienced and young technical employees are required. Such processes are central to the achievement of our intended outcomes and cultural change that enhances institutional equity and diversity, high morale, commitment, trust, willingness to embrace change and high productivity.

c. Culture; Organisation; People and Systems (COPS)

Continued analysis of the internal environment includes culture; organization; people and systems. Also by looking at the current state of these dimensions that present the idealised state, our Human Resources programmes must be geared to addressing.

i. Culture and People

The NRCS will create a culture based on the following:

Culture of collaboration and team work

Accountable and responsible officials

Culture of high performance

Leadership in management

Every idea counts – valuing of diversity of people and their ideas

Innovation is encouraged and recognised

Open, honest and consistent communication

Empowerment of employees through delegations of authority

ii. Organisation

The Organisation is being built on the following building blocks:

- Integrated workforce planning aligned to strategic business plans for all business units and Work study processes used to determine organisational people resources
- Organisational Structure reviewed
- Migration of employees into the new structure to commence.
- Appropriate policies and standard operational procedures
- All jobs have job descriptions on the standard template and these are used as the basis for designing job adverts
- Bursary scheme support the core skills requirements of NRCS and overall business objectives

d. Human Resources Strategic Framework

The NRCS Human Resources operational policies, processes and procedures continuously evolve as the various elements of the Human Resources plan are implemented. However, in order to successfully meet the new NRCS strategic Human Resources objectives, fundamental roles, responsibilities, processes and accountabilities require review and revision. The development of the new HR Strategy will align the organisational needs with Human Capital needs. The organisation is moving towards development of an integrated Talent Management programme that seeks to seamlessly integrate all Human Capital efforts.

Organisation and People

- A business and customer-centric human resources strategy

- A new integrated human resources service delivery business model
- Sound labour relations
- A revised human resources organisational structure
- Revised roles for human resources

Human Resources Business Processes

- Optimisation of human resources business processes to ensure organisational efficiency
- Integration of entire human resources value chain from human resources governance framework to service delivery

Technology

- Knowledge based systems
- Human Capital Information management and reporting through the available technology
- Implementation of the newly introduced HR solutions in the following areas:
 - E-Recruitment
 - Payroll
 - Performance Management
 - Equity and Skills
 - HR Administration
 - Employee Self Service

20. ANNEXURE C: NRCS COMMUNICATIONS PLAN MATRIX

Target Market	Objective	Communications Platforms	Rationale/key messages
Industry	To inform and educate the industry about the rights and obligations in relation to the compulsory specifications	<ul style="list-style-type: none"> • Industry meetings • Website • Industry publications • Media liaison activities, e.g. media statements, alerts and media briefings 	<ul style="list-style-type: none"> • Compulsory specifications • Regulations • Amendments to the specs • NRCS Business info • General info • Communication with key strategic stakeholders
Staff	Inform NRCS employees of the key programmes of the organisation	<ul style="list-style-type: none"> • Intranet • Pop-up via NRCS IT facilities • Newsletter • Bulk-sms • Website • Email • Staff meeting • Notice board • Internal Communications Forum • Internal events 	
Government Institution	To educate NRCS strategic partners about the role of the organisation to improve working relations and co-operation	<ul style="list-style-type: none"> • Information sharing sessions • Joint operational activities • Quarterly information sharing workshops • Website • Publication – Annual Reports, Strategic Plans • Meetings 	
Consumers	To inform and educate consumers about the role of the organisation	<ul style="list-style-type: none"> • Rural Community Engagement • Mall Visit Campaigns • Information booklet 	

		<ul style="list-style-type: none"> • Community Meetings • Exhibitions • Newspapers adverts • Billboards • Radio and television campaigns • Open day events • Metro bus branding • Social media campaigns 	
Media	To educate stakeholders about the role of the organisation	<ul style="list-style-type: none"> • Media networking sessions • Media roadshows • One on one sessions with journalists • Press briefings • Distribution of media statements, alerts • Meeting with editors • Opinion letters • Contributing articles to magazines and newspapers 	<ul style="list-style-type: none"> • Effective to communicate non-compliance • Popularise events and programmes of the NRCS

21.ANNEXURE D: MATERIALITY FRAMEWORK

a. Significance level

Definition

Section 54(2) of the Public Finance Management Act, 1999, as amended states that – “Before a public entity concludes any of the following transactions, the Accounting Authority of the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its Executive Authority for the approval of the transaction:

- Establishment or participation in the establishment of a company;
- Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
- Acquisition or disposal of a significant asset;
- Commencement or cessation of a significant business activity
- Significant change in the change or extent of its own interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.”

A transaction is significant if conducting the transaction is vitally important to fulfill the organization’s mandate and for the organisation to operate effectively.

Significance is larger than materiality as significant transactions may impact the organisation as a whole. The transaction may be material but not significant whereas all significant transactions are material.

b. NRCS assessed level

The organisation will submit relevant particulars of the transactions to the CEO for approval of those transactions to be disclosed to treasury. In addition to the transactions listed above, the following transactions will be regarded as significant and will require full disclosure:

- Acquisition of assets exceeding the budgeted amount
- Reporting of the materiality framework

The materiality and significance framework will be updated annually as part of the strategic planning process and be included in the strategic plan.

c. Framework of acceptable levels of materiality and significance

Treasury Regulations

For purpose of “material [section 50(1), 55(2) and 66(1) (c) of the Act] and significant” [section 54(2) of the Act], the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with external auditors”

Material		NRCS Level for 2023/24
Section 50	<p>The accounting authority of a public entity must-</p> <p>(c) On request, disclose to the executive authority responsible for the public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way influence the decision or actions of the executive authority or that legislature.</p>	<p>Material amount: 0.85% of total revenue</p> <p>Quantitative – Any fact discovered which amount exceeds the above materiality figure. Any item or event for which specific disclosure is required by law. Any fact discovered of which its omission or misstatement in the entity’s opinion, could influence the decisions or actions of the executive authority or legislature.</p>
Section 55	<p>The annual report and financial statements must:</p> <p>Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned.</p> <p>Include particulars of any material losses through criminal conduct and any irregular expenditure that occurred during the financial year.</p>	<p>Quantitative - Any losses through criminal conduct. Any losses through irregular / fruitless / wasteful expenditure</p> <p>Qualitative - Any item or event which specific disclosure is required by law. Any fact discovered of which its omission or misstatement in the entity’s opinion, could influence the decisions or actions of the executive authority or legislature.</p>
Section 66 (1)	<p>Any institute to which this Act apply may not borrow money or issue a guarantee in indemnity or security, or enter into any other transaction that bind or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transactions:</p> <p>Is authorised by this Act; and</p>	<p>All non-compliance events / transactions will be disclosed.</p>

Material		NRCS Level for 2023/24
	In the case of public entities, is also authorised by other legislation not in conflict with this Act	
Section 54(2)	Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction-	Not applicable
	Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement	Not applicable
	Acquisition or disposal of a significant shareholding in a company	Any asset that would materially increase or decrease the operational function of the entity, outside the approved strategic plan and budgeted
	Acquisition or disposal of significant asset	
	Commencement or cessation of significant business activity	Not applicable

22. ANNEXURE E: SUMMARY OF FRAUD AND CORRUPTION

a. Purpose of the Fraud and Corruption

The NRCS will not tolerate any level of fraud and corruption and is committed to zero tolerance to fraud and corruption. The NRCS aims to maintain high ethical standards and highest standard of prevention, detection and remediation of fraud and corruption. All NRCS employees (permanent and contracted employees) are expected to be responsible and accountable for ensuring compliance to this policy, effective fraud and corruption control and reporting of fraud and corruption where applicable.

b. Objectives of this plan

The NRCS has adopted a clear, effective framework and approach to fraud prevention which encompasses controls that have the following objectives:

- **Prevention:** Ensuring that the risk of fraud, corruption and misconduct is prevented and or avoided in advance of occurrence
- **Detection:** Ensuring that the risk of fraud is discovered when it occurs and preventative measures are implemented to ensure that there is no repetition of the fraud
- **Response:** ensuring that corrective action is taken and the harm caused by fraud, corruption or misconduct is cured

To achieve its fraud prevention objectives, the NRCS will:

- Identify fraud risks and review and update the fraud prevention policy and strategy every 3 years.
- Provide fraud awareness training to all employees with particular emphasis on those employees who are considered to be in positions that require fraud awareness training
- Ensure all staff and stakeholders are aware of NRCS' initiatives of fighting fraud and combating corruption
- Encourage and promote professional and ethical business practice
- Aim to identify fraud through regular reviews of the NRCS business processes
- Clearly communicate how suspected instances of fraud may be reported
- Assign responsibility for instant response to the occurrence

- Investigate alleged or suspected instances of fraud and corruption using qualified personnel and professionals with experience in investigative techniques
- Take appropriate action to deal with instances of actual, suspected or alleged fraud and corruption including prosecution of persons and or organisations for fraud offences where and when appropriate
- Use all possible avenues to recover funds or property lost through fraudulent activity
- Ensure the interaction with the media in terms of reported and or alleged cases promptly
- Preserve evidence and report to the police.

c. Principles of this policy

- Creating a culture which is intolerant to fraud and corruption;
- Deterrence of fraud and corruption;
- Preventing fraud and corruption which cannot be deterred;
- Detection of fraud and corruption
- Investigating detected fraud and corruption; and
- Taking appropriate action against fraudsters, for example, prosecution and/or disciplinary action.

d. Definition of fraud and corruption

In South Africa, the Common Law offence of fraud is defined as “the unlawful and intentional making of a misrepresentation which causes actual and/or potential prejudice to another”. The term “fraud” is also used in a wider sense by the general public. In this regard, the term is used in this document in its widest possible meaning and is intended to include all aspects of economic crime and acts of dishonesty. In other words, fraud can be described as any conduct or behaviour of which a dishonest representation and/or appropriation forms an element. The general offence of corruption is contained in Section 3 of The Prevention and Combating of Corrupt Activities Act. This section provides that any person who gives or accepts or agrees or offers to accept / receive any gratification from another person in order to influence such other person in a manner that amounts to:

- The illegal or unauthorised performance of such other person’s powers, duties or functions;

- An abuse of authority, a breach of trust, or the violation of a legal duty or a set of rules;
- The achievement of an unjustified result; or
- Any other unauthorised or improper inducement to do or not to do anything.

Corruption in its wider meaning, and as referred to in this document, includes any conduct or behaviour where a person accepts, agrees or offers any gratification for him/her or for another person where the purpose is to act dishonestly or illegally. Such behaviour also includes the misuse of material or information, abuse of a position of authority or a breach of trust or violation of duty.

Forms of corruption

Corruption takes various forms in society. The following are examples of different types of corruption.

Bribery - Bribery involves the promise, offering or giving of a benefit that improperly affects the actions or decisions of NRCS's employee.

Theft – This involves theft of resources by persons who control such resources. **Fraud**- Any conduct or behaviour of which a dishonest representation and/or appropriation forms an element

Extortion – Coercion of a person or entity to provide a benefit to an NRCS' employee, another person or an entity, in exchange for acting (or failing to act) in a particular manner

Abuse of power - The use by a NRCS's employee of his or her vested authority to improperly benefit another employee, person or entity (or using vested authority to improperly discriminate against another employee, person or entity).

Conflict of interest – The failure by an employee to act or to consciously fail to act on a matter where an employee has an interest or another person or entity that has some form of relationship with an employee has an interest.

Abuse of privileged information – This involves the use, by an employee, of privileged information and knowledge that an employee possesses as a result of his/ her office to provide unfair advantage to another person or entity to obtain a benefit.

Favouritism – The provision of services or resources according to personal affiliation (for example cultural or religious) of an employee.

Nepotism - An employee ensuring that family members, associates or friends are appointed to a particular position within NRCS or that family members or associates receive contracts from NRCS

These manifestations are by no means exhaustive as corruption appears in many forms and it is virtually impossible to list all of these.

e. Roles and responsibilities

NRCS's management is responsible for internal control including fraud control and corruption prevention. All NRCS employees are responsible to keep NRCS free from fraud and corruption and to refrain from engaging in fraudulent or corrupt behaviour.

This is achieved by:

- maintaining the highest standard of personal and professional ethics in accordance with the NRCS Code of Conduct;
- maintaining awareness of the potential for fraud and corruption; and
- promptly reporting any instances of fraud and corruption to management and/or nominated officers who all have a duty to properly deal with such information.

Roles and responsibilities are defined as:

Responsibility: Chief Executive Officer as the Accounting Officer is legally obliged under PFMA to report, and will report, all instances of fraud to the The Department of Trade, Industry and Competition (**the dtic**) and the Auditor General. Where evidence is assessed as giving a reasonable belief that a serious criminal offence has occurred, the CEO is compelled by Criminal Procedure Act to forward the necessary information for further investigation and/or prosecution to South African Police Services and/or The National Director of Prosecutions.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

21. TECHNICAL INDICATOR DESCRIPTIONS

Strategic Goal 1: To develop, maintain and administer compulsory specifications and technical regulations

1. Indicator title	Number of VC's/Tech Regulations (new, amended or withdrawn) submitted to the dtic for 1st or 2nd gazetting
2. Definition	Number of New and Amended Compulsory Specifications/ Technical Regulations submitted to the dtic for first gazetting. The process is as per the CSP 350 procedure. The VC development, amendment and withdrawal process is the same and thus the CSP process is followed.
3. Source/collection of data	NRCS technical committee minutes for proof of approval and proof of submission to the dtic, which may be electronic through email or hand delivery. If hand delivered, there will be acknowledgement of receipt thereof.
4. Method of calculation	Simple count addition of the different compulsory specifications or technical regulations submitted to the dtic during the reporting period
5. Means of verification	The dtic submission documentation or the number of submissions sent through emails
6. Assumptions	None
7. Disaggregation of Beneficiaries	N/A. Meant for all South Africans
8. Spatial Transformation	N/A
9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly cumulative reporting

11.Desired performance	6 New Compulsory Specifications each year but affected by need for concurrence and data limitations of impact assessments
12.Indicator responsibility	RRD General Manager

Goal 2: To maximise compliance with all specifications and technical regulations

Inspections conducted within Automotive, Chemicals Materials and Mechanicals (CMM), Electro-technical and legal Metrology business units.

1. Indicator title	Number of Inspections conducted as per the NRCS Risk Based Approach to monitor compliance to regulations within the Automotive, Chemicals Materials and Mechanicals (CMM), Electro-technical and Legal Metrology Sectors and 100% sanctions issued where non-compliances are identified
2. Short definition	The number of inspections carried out to determine, whether any or all of the requirements of a compulsory specification are met, by sampling regulated products on the market and examining them against the relevant compulsory specification. An inspection may be conducted physically or remotely, evidence of which shall be kept on file. In all instances an inspection record will be generated.
3. Source/collection of data	Manual Inspection Records the inspection record will be signed by the inspector and if carried in the presence of the client the client may sign as per the procedure. For validity the inspection record need to be signed by the inspector
4. Method of calculation	Counting and adding the number of inspections conducted by the respective inspectors for the reporting cycle
5. Means of verification	Inspection records dully signed by the inspector
6. Assumptions	Determines compliance to requirements of compulsory specifications.
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A

9. Calculation Type	Cumulative
10. Lead	Automotive, CMM, Electro-technical and Legal Metrology
11. Reporting cycle	Cumulative Quarterly Reporting
12. Desired performance	21056
13. Indicator responsibility	Divisional General Managers

Locally Produced Fisheries

1. Indicator title	Percentage of Inspections conducted on locally produced, imported and exported canned fishery and meat product consignments in accordance with the compulsory specification and procedures
2. Short definition	% Number of inspections conducted on consignments or productions of canned fish, canned meat in accordance with the compulsory specification, divisional procedures and applicable legislation. A production consists of packages/containers of various quantities of a specific product with a specific production code.
3. Source/collection of data	The source of this data is inspection reports signed by the inspector
4. Method of calculation	Percentage of Number of productions or consignments inspected as a percentage of number of productions or consignments declared by the importers or producers during the financial year (numerator is the inspections conducted and denominator is the number of requests received)
5. Means of Verification	Inspection records
6. Assumptions	Increase compliance to compulsory specifications and technical regulations. Minimize the risk to the consumer and proactively detect the non-complying products.
7. Disaggregation of Beneficiaries	N/A.
8. Spatial Transformation	N/A

9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly and annual basis reports are generated
11. Desired performance	To inspect all productions of canned fish and meat produced in South Africa.
12. Indicator responsibility	The General Manager of the Division.

Strategic Goal 2: To maximise compliance with all specifications and technical regulations

1. Indicator title	Number of inspections conducted on locally produced fishery products (live, chilled and frozen), meat products (processed and canned meat), fishery and meat processing factories and vessels as well as fishery and meat retail inspections, in accordance with the compulsory specification and procedures
2. Short definition	Number of inspections conducted on locally produced fishery and meat products, fishery and canned meat processing factories and vessels in accordance with the compulsory specification and procedures.
3. Source/collection of data	The information is based on the actual number of inspected registered facilities at a given time and the source document is the Manual Inspection form
4. Method of calculation	Number of inspections conducted. Quantitative
5. Means of Verification	Inspection records dully signed by the inspector
6. Assumptions	Increase compliance to compulsory specifications and technical regulations. Minimize the risk to the consumer and proactively detect the non-complying facilities.
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A
9. Calculation Type	Cumulative reporting
10. Reporting cycle	Quarterly and annual basis reports are generated
11. Desired performance	All inspections conducted as per forecasted number of facility inspections.
12. Indicator responsibility	The General Manager of the Division.

Trade Facilitation: Facilitate exportation of canned meat, fish and fishery products

1. Indicator title	Trade Facilitation: Facilitate exportation of canned meat, fish and fishery products
2. Short definition	Value of canned meat, canned fish and fishery products exported from South Africa.
3. Source/collection of data	<ul style="list-style-type: none"> • Inspection Reports • Export Documentation/ • Health Guarantees
4. Method of calculation	Manual Quantitative Counting
5. Means of Verification	Quantity and Value of products exported as per the inspection records and the Health Guarantees issued to enable exportation of the products from South Africa.
6. Assumptions	None
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A
9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly
11. Desired performance	R8 billion worth of products exported from South Africa Increased in exports from South Africa
12. Indicator responsibility	General Manager Foods and Associated Industries

Percentage of approvals for Gaming Equipment processed

1. Indicator title	Percentage of gaming approval applications finalised (approved or rejected or closed) within the set timeframes
2. Short definition	Number of calendar days to process gaming equipment approvals from the date the full application is received by the NRCS to the date approved or rejected. That is from the date the full application plus the non-refundable fee has been received to the date the approval is granted.
3. Source/collection of data	<ul style="list-style-type: none"> • CRM system • LOC Approvals Database
4. Method of calculation	Manual Quantitative Counting
5. Means of verification	LOC Application files and electronic registers. The numerator is all approvals finalised within 30 days and the denominator is all approvals finalised during the reporting period
6. Assumptions	None
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A
9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly
11. Desired performance	Decrease in non-compliance rate
12. Indicator responsibility	General Manager Metrology

Percentage of Approvals Issued within 90 calendar days

13. Indicator title	Percentage of approval applications finalised (approved or rejected or closed) within the set timeframes in Automotive, Electro-technical, Chemical Materials and Mechanicals. Improve the ease of doing business
14. Short definition	Number of calendar days to process approvals from the date the full application is received by the NRCS to the date approved or rejected. That is from the date the full application plus the non-refundable fee has been received to the date the approval is granted.
15. Source/collection of data	<ul style="list-style-type: none"> • CRM system • LOA databases • Approvals Databases
16. Method of calculation	Manual Quantitative Counting
17. Means of Verification	LOA Application files and electronic registers. The numerator is all approvals finalised within 90 days and the denominator is all approvals finalised during the reporting period
18. Assumptions	None
19. Disaggregation of Beneficiaries	N/A
20. Spatial Transformation	N/A
21. Calculation Type	Cumulative
22. Reporting cycle	Quarterly
23. Desired performance	Decrease in non-compliance rate
24. Indicator responsibility	The General Managers

Identify and sanction non-compliant products and services enable complaint business to trade fairly

1. Indicator title	Identify and sanction non-compliant products and services enable complaint business to trade fairly
2. Short definition	The market value for the identified non-compliant products.
3. Source/collection of data	<ul style="list-style-type: none"> • Inspection record • Directives • Embargo
4. Method of calculation	Price X Quantity for all non-compliant products during the reporting period as per the NRCS Act or Legal Metrology Act.
5. Means of Verification	The total number of products as per the directive or the inspection record multiplied by the declared price
6. Assumptions	Value to be used will be the retail price or the value declared per the import documentation or the value declared by the possessor of the product during the point of an inspection
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A
9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly cumulative
11. Desired performance	R350 million worth of non-compliant products identified and corrected or removed from the market
12. Indicator responsibility	The General Managers

Strategic Goal 3: To inform and educate our stakeholders about the NRCS

1. Indicator title	Number of stakeholder and consumer education events or campaigns
2. Short definition	Consumer educational events or campaigns are designed to disseminate information to the general public that utilises the Regulated commodities. This is an initiative to create a platform for the South African citizens to notify NRCS of non-compliant products that may be on the market.
3. Source/collection of data	Number of stakeholder events conducted by the NRCS. Attendance registers
4. Method of calculation	Manual count number of NRCS arranged stakeholder consumer awareness campaigns. Quantitative
5. Means of verification	Proof of event or attendance registers
6. Assumptions	The Indicator is used to measure the rate at which NRCS is disseminating information to the general public
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A
9. Calculation type	Cumulative
10. Reporting cycle	Quarterly Cumulative
11. Desired performance	Increase in the Awareness of NRCS activities
12. Indicator responsibility	Head Communications and Marketing.

Strategic Goal 3: To inform and educate our stakeholders about the NRCS

1. Indicator title	Approved Stakeholder Engagement Strategy and % Implementation of the Stakeholder Engagement Strategy
2. Short definition	The number of stakeholder engagements held by the NRCS in relation to the development and implementation of compulsory specification or regulations administered by the NRCS
3. Source/collection of data	Approved stakeholder engagement strategy and Proof of engagements in the form of reports, meeting minutes or attendance registers
4. Method of calculation	Percentage calculation of deliverables achieved as numerator and denominator being the total number of all engagements highlighted in the NRCS stakeholder Engagement Strategy.
5. Means of Verification	Proof of events or engagements or attendance registers
6. Assumptions	The Indicator is used to measure stakeholder participation by stakeholders and broadening participation by stakeholders. Assumptions is that each engagement is by representative sample of the industry, stakeholders or regulated industry company representatives
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	Included are small and medium enterprises
9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly cumulative
11. Desired performance	100% implementation of stakeholder engagement strategy

12. Indicator responsibility	Head of Business Units
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Strategic Goal 4; To ensure an optimally capacitated institution

1. Indicator title	Percentage (%) of vacancies. Vacancy rate of approved and funded posts
2. Short definition	The percentage number of vacant funded positions on the structure (numerator) as a percentage of total number of the approved positions on the NRCS organizational structure (denominator)
3. Source/collection of data	Vacant positions report, NRCS administration data on vacant positions, Approved organizational structure, NRCS signoff budget and the employee database
4. Method of calculation	Percentage of budgeted approved positions as a percentage of total number of positions on the approved NRCS Organisational Structure.
5. Means of Verification	Employee statistics and Approved Organogram analysis
6. Assumptions	The Indicator is used to measure efficiency in NRCS recruitment and ensure NRCS is a capacitated organization
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A
9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly cumulative
11. Desired performance	6% vacancy rate or less
12. Indicator responsibility	Head Human Resources

Strategic Goal 4: Number of employees employed through the internship program

1. Indicator title	Number of employees employed through the internship programs
2. Short definition	The number of interns employed by the NRCS through the NRCS internship program.
3. Source/collection of data	Employee files and the NRCS administration database of employees and payroll report
4. Method of calculation	Manual count.
5. Means of Verification	Employee statistics and Payroll data
6. Assumptions	The Indicator is used to measure efficiency in NRCS recruitment and ensure NRCS is a capacitated organization
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A
9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly cumulative
11. Desired performance	30 Interns annually employed by the NRCS
12. Indicator responsibility	Head Human Resources

Strategic Goal 4: Percentage revenue generated against the revenue budget for levies and service revenue

1. Indicator title	Percentage revenue generated against the revenue budget for levies and service revenue
2. Short definition	Revenue generated or received by the NRCS from levies and other fees excluding government grant.
3. Source/collection of data	NRCS financial statements and NRCS approved budget
4. Method of calculation	Percentage of revenue invoiced (excluding government grant) (numerator) as a percentage of total budgeted revenue excluding government grant (denominator)
5. Means of Verification	NRCS Financial statements to determine if the NRCS met its revenue target as per the NRCS approved budget
6. Assumptions	The Indicator is used to measure in NRCS revenue generation and ensuring that the NRCS is financially sustainable
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A
9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly cumulative
11. Desired performance	100% revenue target achieved
12. Indicator responsibility	All Head of Business Units

Strategic Goal 4; To ensure an optimally capacitated institution

1. Indicator title	Percentage (%) implementation of Modernization related projects
2. Short definition	NRCS to ensure that the NRCS has the requisite ICT infrastructure that supports business operations.
3. Source/collection of data	ERP system, Regulatory or Operations system and Availability of the approved documents
4. Method of calculation	Verify the availability and/or existence of the new ERP and the Operations or Regulatory Systems
5. Means of Verification	NRCS regulatory or Operations System implemented or under development. The denominator is the milestones achieved and the numerator is the defined full scope of the project as per the approved project plan and milestones
6. Assumptions	The Indicator is used to measure whether the NRCS has implemented the operations or regulatory systems and whether the organisation has adequate IT infrastructure and resources that will ensure that it becomes efficient and move away from paper-based processes to automation
7. Disaggregation of Beneficiaries	N/A
8. Spatial Transformation	N/A
9. Calculation Type	Cumulative
10. Reporting cycle	Quarterly cumulative average
11. Desired performance	50% implementation of the NRCS Operations System (operations system and regulatory system refers to the same system which enables end to end processing of approvals and inspections)

12. Indicator responsibility	Head: ICT
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