

PRESENTATION TO PORTFOLIO COMMITTEE TRADE, INDUSTRY & COMPETITION

QUARTER ONE, TWO & THREE PERFORMANCE FOR THE 2023/24 FINANCIAL YEAR

28 February 2024

PRESENTATION OUTLINE

1. Overview of SANAS
2. Performance Overview (Q1, 2 & 3)
3. Targets not achieved (Q1, 2 & 3)
4. Summary of Audit Findings
5. Summary of Risk Management
6. Summary of Financial Performance
7. Summary of Human Resource Matters

SANAS VISION, MISSION & VALUES

MISSION

To provide an internationally recognised national accreditation system in support of public policy objectives including trade facilitation for the betterment of our people



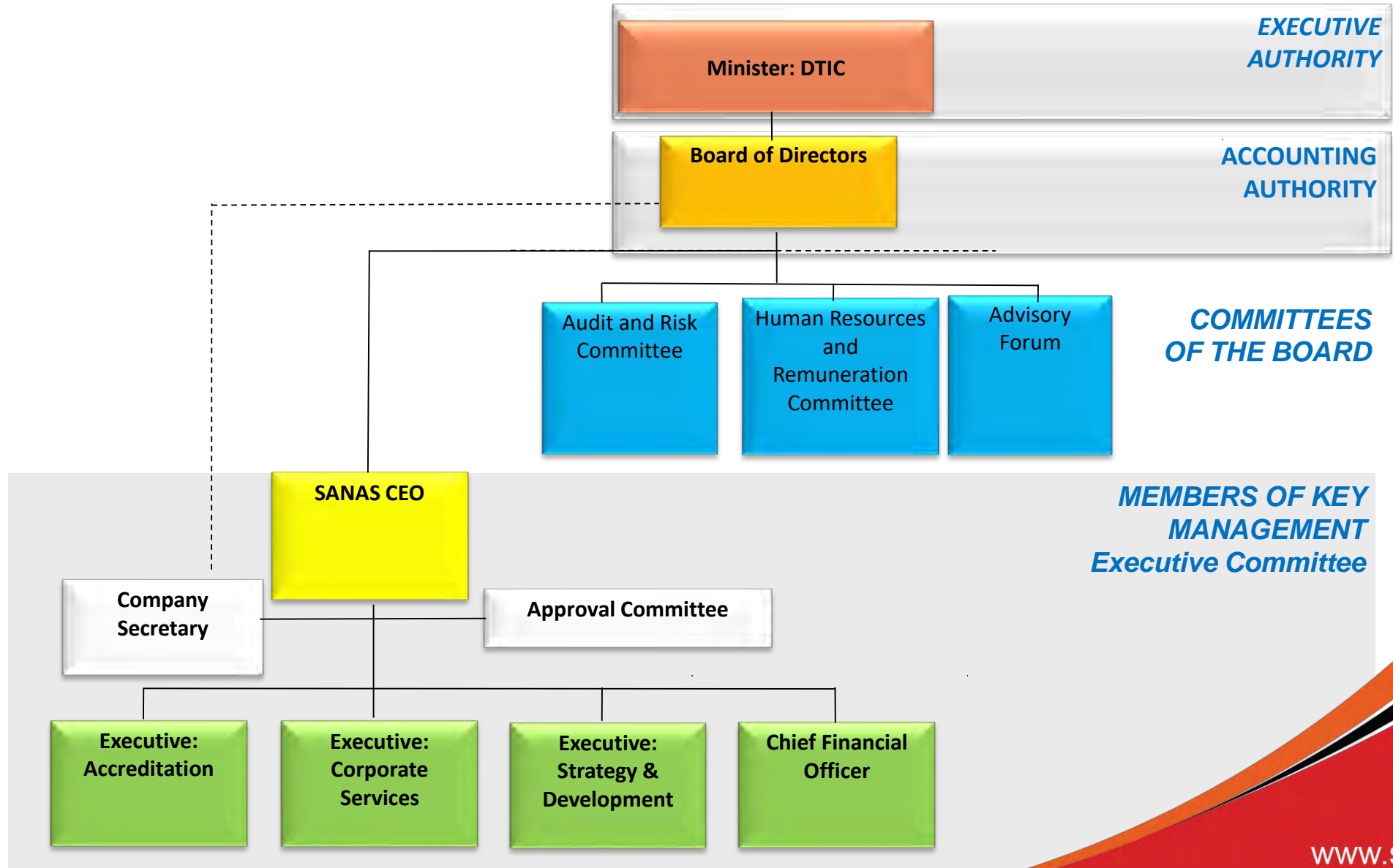
VALUES

- ❖ Excellence
- ❖ Integrity
- ❖ Innovation
- ❖ Dedication
- ❖ Social

VISION

A better life through Accreditation

GOVERNANCE STRUCTURE



OVERVIEW OF SANAS

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



Calibration, testing and verification laboratories



Certification bodies



Inspection Bodies



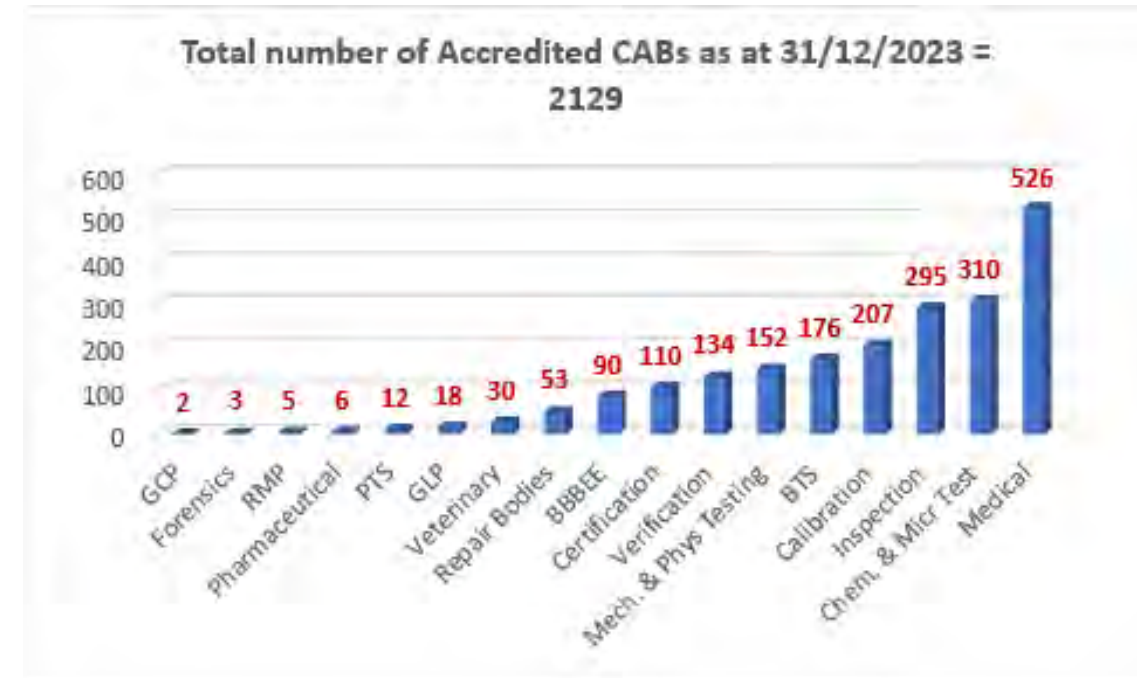
BBBEE Verification Agencies



National body to monitor Good Laboratory Practices compliance with the principles adopted by the Organisation of Economic Cooperation and Development (OECD).



Any other body that may be added to SANAS' scope of activity



SANAS LEGISLATIVE MANDATE

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



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



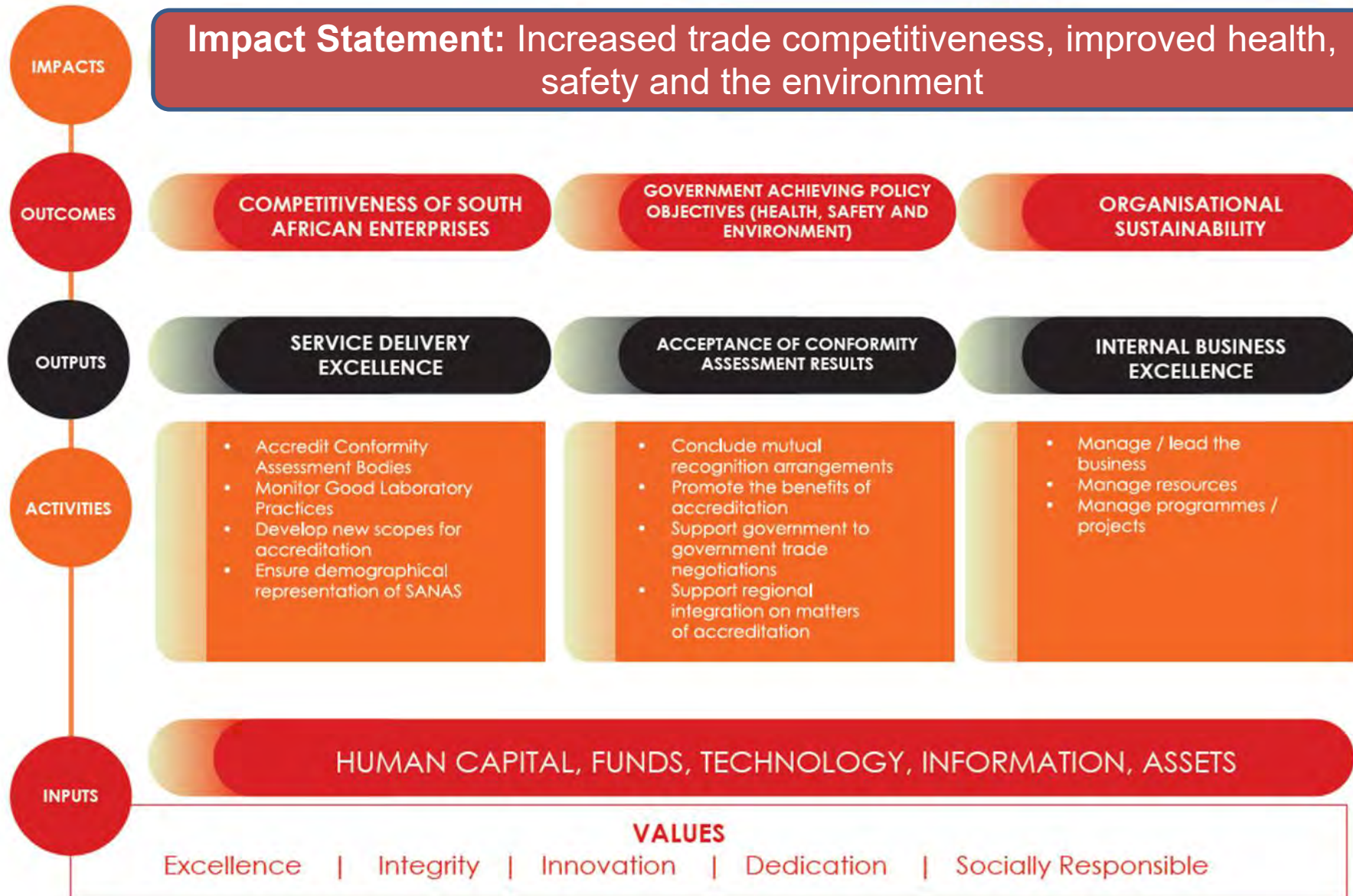
Support the needs of our enterprises competing in a fast-paced global economy;



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

- a) Promote the acceptance of SANAS' activities and those of all bodies accredited by SANAS or its international counterparts.
- b) Promote the recognition of accredited bodies by users of conformity assessment.
- c) Liaise with regional and international standards bodies, technical regulatory and metrology organisations in respect of matters relating to accreditation
- d) Liaise with national regulators in respect of matters relating to accreditation
- e) Promote the use of accredited bodies to facilitate trade.

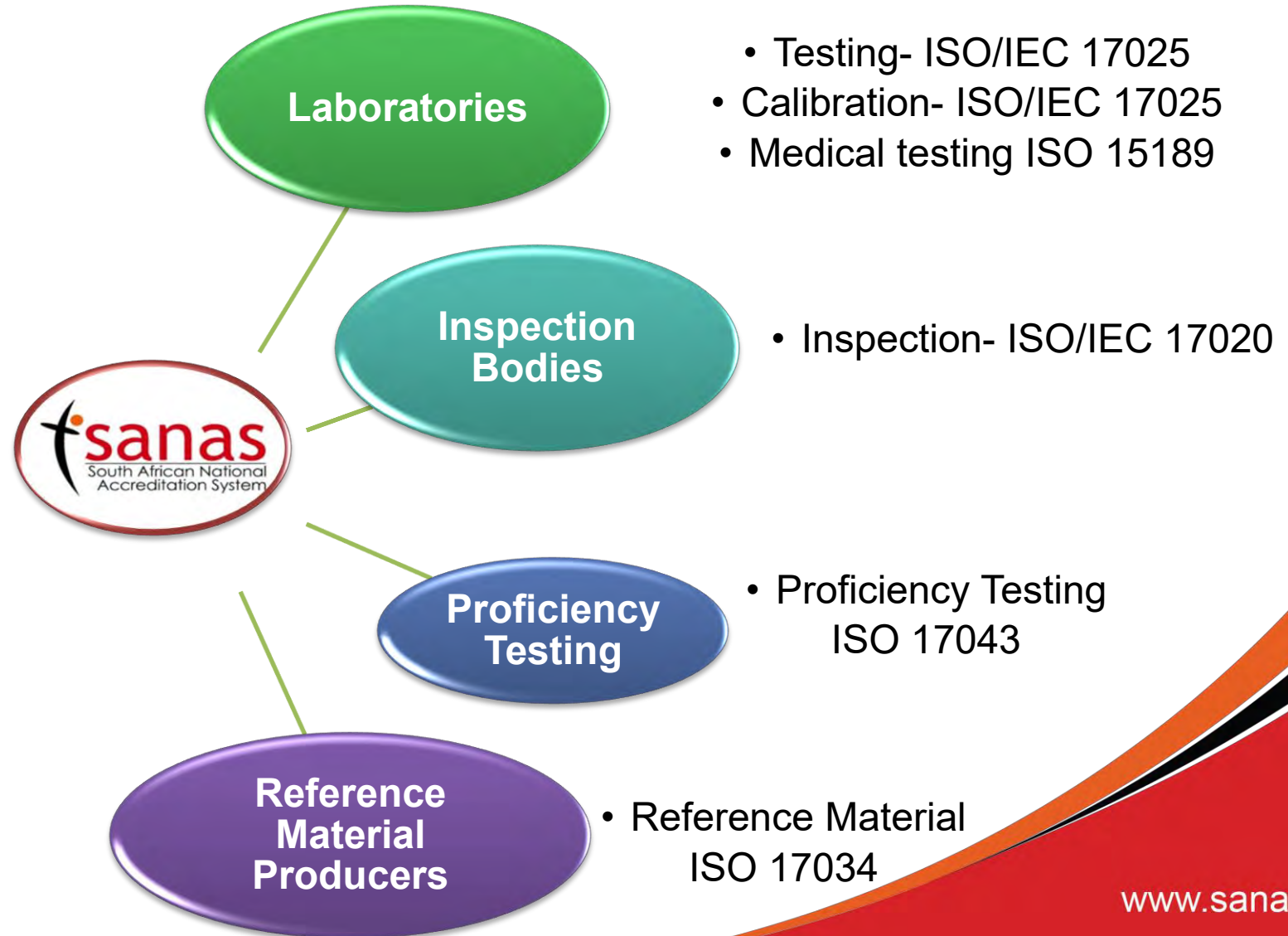
SANAS STRATEGIC FRAMEWORK



SANAS-ILAC INTERNATIONAL RECOGNITION

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

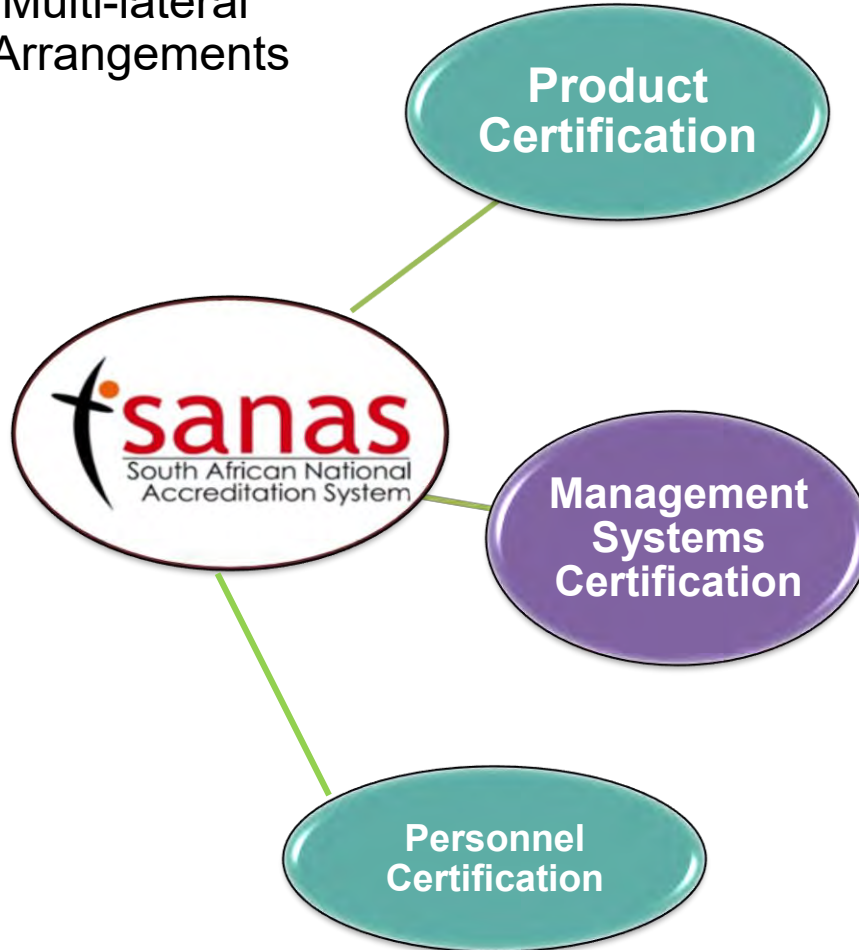
- SANAS is signatory to **all** existing ILAC Mutual Recognition Arrangements



SANAS-IAF INTERNATIONAL RECOGNITION

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

- SANAS is signatory to the existing IAF Multi-lateral Recognition Arrangements



- **Product Certification ISO/IEC 17065** (*Reconfirmed December 2019*)
- Global G.A.P. IFA General Requirements
- Global G.A.P.
- **Quality Management Systems ISO/IEC 17021-1**
- ISO/IEC 9001
- Environmental Management Systems ISO/IEC 14001
- Management System ISO/IEC 17021-2 & 3
- **Personnel Certification ISO/IEC 17024**

CASE STUDIES

(Showcasing SANAS)

Case Study #1: INTERNATIONAL RECOGNITION OF SADCA

SANAS currently hosts the positions of the SADC Regional Coordinator for Accreditation, appointed in terms of the TBT Annexure to the SADC Trade Protocol, the Southern African Development Community Cooperation in Accreditation (SADCA) Secretariat, SADCA MRA Committee Chairperson, SADCA Technical Committee Chairperson and Vice-Chair of the Marketing and Communication Committee.

In the 4th quarter of the 2022/23 FY, after many years of preparation and a rigorous joint IAF/ILAC initial evaluation of SADCA starting in August 2021 and ending in November 2022, the SADCA MRA was accepted as a recognised Regional Accreditation Cooperation by:

- the ILAC MRA, for the accreditation of Calibration and Testing laboratories using ISO/IEC 17025; and
- the IAF MLA, for the accreditation of Management System Certification Bodies using ISO/IEC 17021-1 for QMS.



This key strategic milestone achievement supports industrialisation and facilitates regional and international trade by promoting confidence in accredited results.

The global acceptance of accredited results reduces technical barriers to trade, eliminating the need for re-testing, re-calibration and re-certification, promoting the competitiveness of SADC goods and services globally, and supporting the realisation of the free-trade goal of “accredited once, accepted everywhere”.

With this recognition, SADCA looks forward to advance SADC’s trade intra-regionally and globally which will contribute to industrialisation, in terms of industrial production and the promotion of exports.

*“SADCA expresses its deepest appreciation to Physikalisch Technische Bundesanstalt (PTB), Germany, the
SADC Secretariat, and SANAS, South Africa as the host of the SADCA Secretariat, for their invaluable support
that has brought us thus far”*

SADCA website: <https://www.sadca.org/Pages/Home.aspx>

Case Study #2: ILAC scope expansion for PT and RMP

Overview:

The ILAC Mutual Recognition Arrangement (MRA) has been expanded to include the scopes of Proficiency Testing (PT) and Reference Materials Producers (RMP)

Outcome:

SANAS accredited CABs in PT and RMP are now internationally recognised as equivalent, with their certificates being accepted globally.

Increasing the scopes that SANAS is recognised for paves the way for SA produced goods and services that require PT and certified Reference Materials to be globally accepted.

The expansion of the ILAC MRA to include the scopes of PT and RMP, has resulted in SANAS accredited Conformity Assessment Bodies (CABs) to enjoy international recognition, with the spin-off effect being a positive impact in the economy.

• Economic Development

- Industrial production
- Trade
- Exports
- Health and Safety



Mr Mpho Phaloane receiving a certificate from Etty Feller, Chairperson of ILAC

Overview:

The AFRAC Mutual Recognition Arrangement (MRA) under the ILAC MRA and IAF MLA has been expanded to include the scopes of Proficiency Testing (PT), Reference Materials Producers (RMP), Product Certification, Certification of Persons and Management System Certification in sub-scope Medical Devices Management Systems (MDMS).

• Economic Development

- Industrial production
- Trade
- Exports
- Health and Safety

Outcome:

AFRAC Accreditation Body members, such as SANAS, recognised by AFRAC in the scopes of PT, RMP, Product Certification, Certification of Persons and Management System Certification in sub-scope MDMS are now internationally recognised.

The increase in scopes that AFRAC is recognised for, ensures that results issued by CABs accredited by AFRAC AB members, such as SANAS, for these scopes are accepted globally, reducing technical barriers to trade, such as the need for re-certification when products or services are exported.

The expansion of the AFRAC MRA to include the scopes of PT, RMP, Product Certification, Certification of Persons and Management System Certification in sub-scope MDMS, has resulted the international recognition of AFRAC AB members, such as SANAS, for these scopes, and as such the global recognition of results issued by CABs accredited by the AFRAC AB members.

Case Study #3: AFRAC Scope Extension

SANAS is the only internationally recognised Accreditation Body on the African continent for RMP, and one of 2 Accreditation Body's on the continent recognised for PT, Certification of Persons and Management System Certification – MDMS.

• Economic Development

- Industrial production
- Trade
- Exports
- Health and Safety



AFRAC Secretariat, Mrs Yolanda Vinnicombe (SANAS) receiving AFRAC's certificates of recognition from ILAC and IAF Chairs during the joint ILAC/IAF General Assembly on 14 /11/ 2023 in Montreal, Canada.

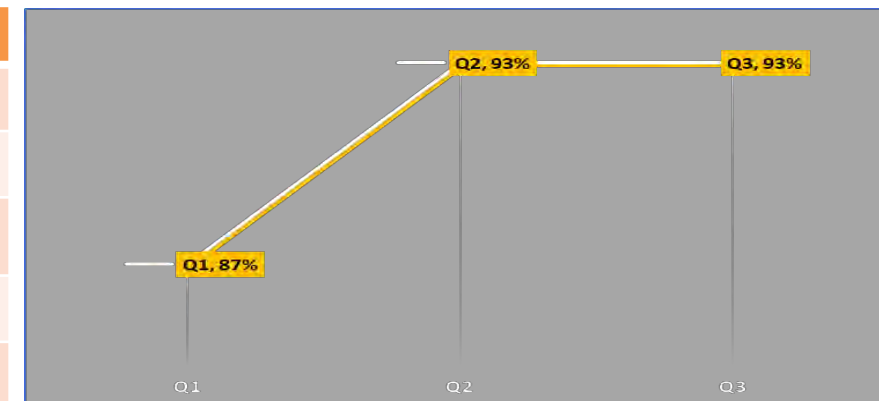


The joint ILAC/IAF General Assembly meeting, held in Montreal, Canada, in which AFRAC was represented by AFRAC Secretariat, Mrs Yolanda Vinnicombe. At this meeting, she reported on the MRA activities of AFRAC.

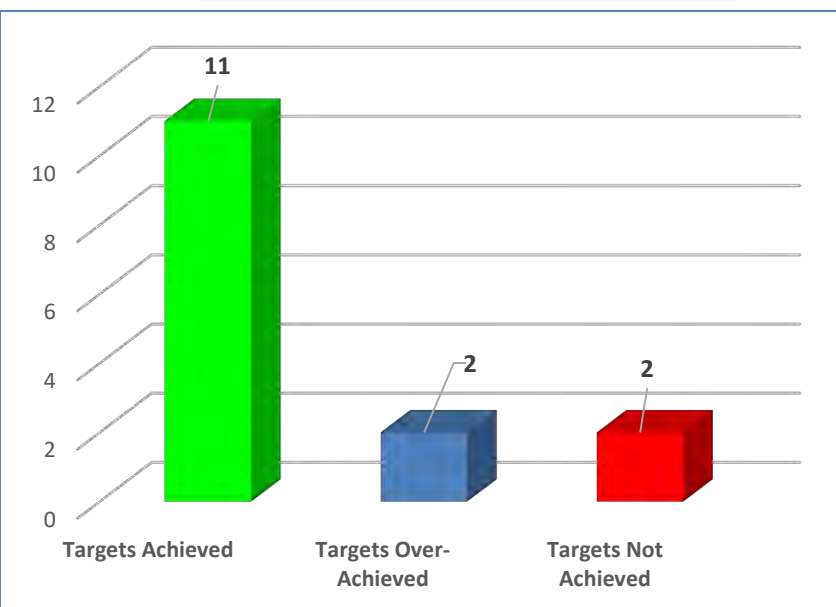
SUMMARY OF ORGANISATIONAL PERFORMANCE

PERFORMANCE OVERVIEW (Q1, 2 & 3)

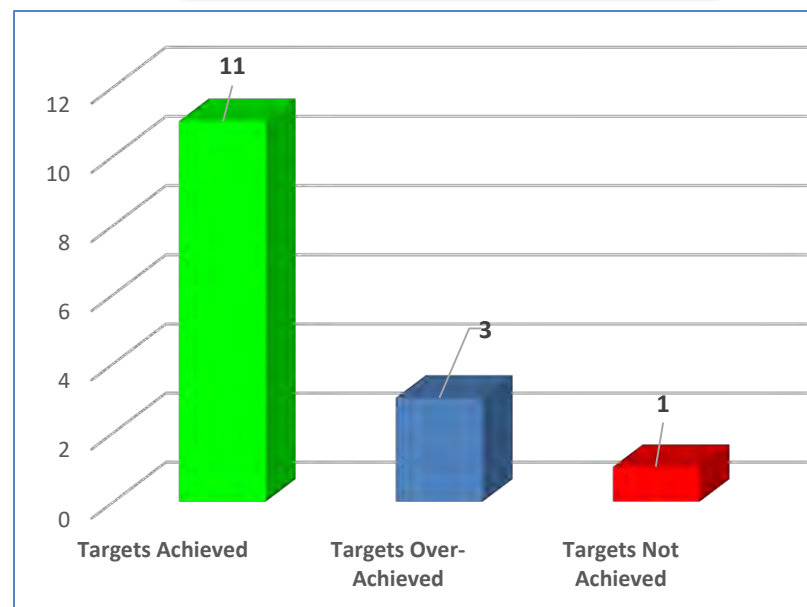
	Q1	Q2	Q3
Total Number of Targets	15	15	14
Targets Achieved	13 out of 15	14 out of 15	13 out of 14
Targets Overachieved	3 out of 15	3 out of 15	3 out of 14
Targets Not Achieved	2 out of 15	1 out of 15	1 out of 14
Percentage achieved	87%	93%	93%



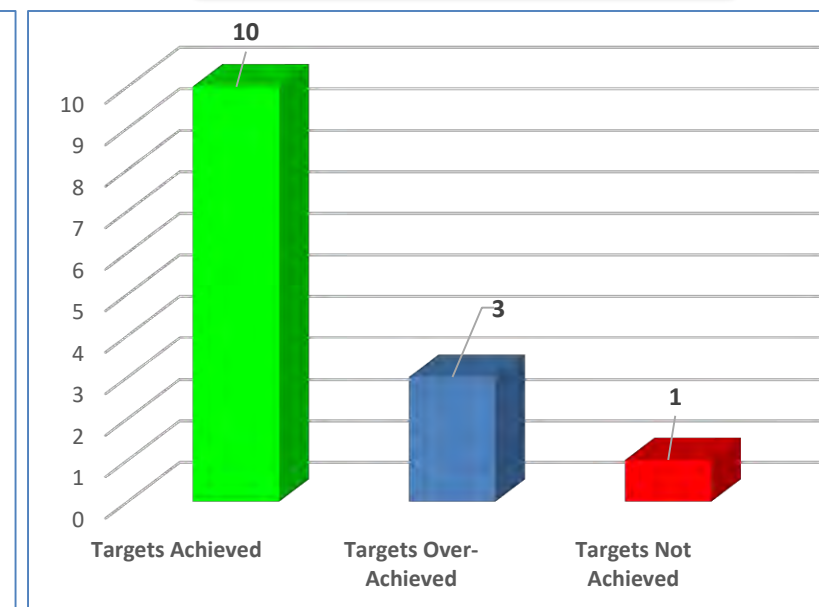
Quarter One



Quarter Two



Quarter Three



OVERVIEW OF QUARTER ONE PERFORMANCE

TARGETS ACHIEVED

1. Accredited 43 Conformance Assessment Bodies
2. Commenced engagements with SAPS
3. Issued certificates and scopes of accreditation within an average of 12 working days.
4. Registers 5 black assessors
5. Implemented 60% of the AFRAC Secretariat's APP
6. Implemented 40% of the SADCA Secretariat's APP
7. Developed and obtained approval of the Annual Stakeholder Engagement Plan
8. Implemented 100% of planned activities within the approved Annual Stakeholder Engagement Plan
9. Vacancy rate of 3.9% maintained within the reporting period.
10. Identified stakeholders/interested parties related to Biobank programme
11. Developed the Quarter 1 progress report on SANAS contribution to the relevant Outputs of the dtic Group
12. Participated in AFRAC mid-year meetings
13. Engaged SAHPRA stakeholders in relation to Blood Transfusion

TARGETS NOT ACHIEVED

1. <5% of eligible payments processed after 19 days for the quarter. All eligible payments for the quarter to be made within 30 days.
2. Participate in African Regional Standards Organisation (ARSO)



OVERVIEW OF QUARTER TWO PERFORMANCE

TARGETS ACHIEVED

1. Accredited 32 Conformance Assessment Bodies
2. Achieved 77:23 SANAS income vs government grant
3. Undertook engagements with SAPS
4. Issued certificates and scopes of accreditation within an average of 13 working days.
5. Registers 5 additional black assessors
6. Implemented 70% of the AFRAC Secretariat's APP
7. Implemented 50% of the SADCA Secretariat's APP
8. Implemented 100% of planned activities within the approved Annual Stakeholder Engagement Plan
9. Vacancy rate of 2.6% maintained within the reporting period.
10. Undertook stakeholder engagement related to Biobank programme
11. Hosted Rollout workshop for Business Incubators and Accelerators Programme
12. Developed the Quarter 2 progress report on SANAS contribution to the relevant Outputs of the dtic Group
13. Participated in AFRAC meetings
14. Engaged SAHPRA stakeholders in relation to medical devices

TARGET NOT ACHIEVED

1. <5% of eligible payments processed after 19 days for the quarter. All eligible payments for the quarter to be made within 30 days.



OVERVIEW OF QUARTER THREE PERFORMANCE

TARGETS ACHIEVED

1. Accredited 23 CABs (cumulative of 2129)
2. Undertook engagements with SAPS
3. 80:20 SANAS income vs government grant
4. Implemented 90% of the AFRAC Secretariat's APP
5. Implemented 70% of the SADCA Secretariat's APP
6. Implemented 100% of the planned quarterly activities in the Annual Stakeholder Engagement Plan
7. Maintained a vacancy rate of 2.6%
8. Undertook research on Biobank Programme
9. Developed the Quarter 3 performance report on SANAS contribution to the relevant Outputs of the dtic Group
10. Participated in the PAQI Forum
11. Issued certificates and scopes of accreditation within an average of 13 working days
12. Registers 5 additional black assessors
13. Conducted engagements with Inspection stakeholders

TARGET NOT ACHIEVED

1. <5% of eligible payments processed after 19 days for the quarter. All eligible payments for the quarter to be made within 30 days.



SUMMARY OF TARGETS NOT ACHIEVED IN QUARTER ONE

PROGRAMME: ADMINISTRATION

Annual Target	Quarter 1 Target	Actual Performance	Status	Explanation of Variance
<5% of eligible payments processed after 19 days for the quarter. All eligible payments for the quarter to be made within 30 days.	<5% of eligible payments processed after 19 days for the quarter. All eligible payments for the quarter to be made within 30 days.	During Q1, SANAS was in the process of revising its processes so as to ensure that the date of receipt of invoices by the relevant managers was captured.	Not Achieved	SANAS did not have in place a mechanism to monitor the date of receipt of invoices by relevant managers. SANAS revised the relevant processes and related Forms which will ensure that the date of receipt of invoices by managers is captured. The new process was implemented in June 2023. Therefore, the correct method of calculation will be applied from Quarter 2 onwards.

PROGRAMME: ACCREDITATION

Annual Target	Quarter 1 Target	Actual Performance	Status	Explanation of Variance
Participate in 4 relevant initiatives of the PAQI structures, focused on reducing the technical barriers to trade within the African Continental Free Trade Area	Participate in African Regional Standards Organisation (ARSO)	As per the preliminary schedule, participation in the ARSO meeting was planned for Q1, however the meeting took place a week later from 03-04 July 2023.	Not Achieved	SANAS did participate in the ARSO General Assembly meeting that took place in the DRC from 03-04 July 2023

SUMMARY OF TARGET NOT ACHIEVED IN QUARTER TWO

PROGRAMME: ADMINISTRATION

Annual Target	Quarter 2 Target	Actual Performance	Status	Explanation of Variance
<5% of eligible payments processed after 19 days for the quarter. All eligible payments for the quarter to be made within 30 days.	<5% of eligible payments processed after 19 days for the quarter. All eligible payments for the quarter to be made within 30 days.	27% of payments were made after 19 days. 21 out of 228 payments were made after 30 days	Not Achieved	The new system of calculation is still being institutionalised

SUMMARY OF TARGET NOT ACHIEVED IN QUARTER THREE

PROGRAMME: ADMINISTRATION

Annual Target	Quarter 3 Target	Actual Performance	Status	Explanation of Variance
<5% of eligible payments processed after 19 days for the quarter. All eligible payments for the quarter to be made within 30 days.	<5% of eligible payments processed after 19 days for the quarter. All eligible payments for the quarter to be made within 30 days.	16% of payments were made after 19 days. 4 out of 146 payments were made after 30 days	Not Achieved	The new system of calculation is still being institutionalised however improvement has been noted from the previous quarter. Stringent implementation and relevant improvements of the new process in Q4

SANAS CONTRIBUTION TO THE OUTPUT TARGETS OF the dtic GROUP

SANAS CONTRIBUTION TO OUTPUT TARGETS OF the dtic GROUP



INDUSTRIAL PRODUCTION

1. Accreditation of CABs
2. Development of New Accreditation Programmes

Status: Achieved



ENERGY

Accreditation of Energy
Performance Certificate (EPC)
Bodies

Status: Achieved



EXPORTS AND TRADE

Participation in relevant PAQI
structures, focused on reducing the
technical barriers to trade within
the AfCFTA

Status: Achieved



GREEN ECONOMY

Accreditation of Validation and
Verification Certification Bodies

Status: On Track



STAKEHOLDER ENGAGEMENT AND IMPACTS

Development of Case Studies

Status: Achieved



RED TAPE AND STATE CAPABILITY

Improve turn-around times of
issuing certificates and scopes of
accreditation (average of 13 days)

Status: Achieved

SUMMARY OF FINANCIAL PERFORMANCE

QUARTER ONE

SUMMARY OF FINANCIAL PERFORMANCE

Programme/Division/Unit	Year-to-date			
	Budget	Actual	Variance	
	R'000	R'000	R'000	Percent age
Income				
Accreditation Provision	22380	26299	3919	18%
Knowledge Transfer	2371	2314	-57	-2%
Transfer from the dtic	8538	8538	0	0%
Interest	902	1575	673	75%
Sundry income	30	17	-13	-43%
Total Income	34,221	38,743	4,522	13.00%
Expenditure				
Compensation of Employees	18119	16530	1589	9%
Goods and Services	16209	11034	5175	32%
Total Expenditure	34,328	27,564	6,764	20.00%
Surplus/(Deficit)	-107	11,179	11,286	

SUMMARY OF FINANCIAL PERFORMANCE

- For the quarter one, SANAS realised a surplus of R11.179 million.
- Actual year-to-date income exceeded the quarterly budget by R4.522 million.
- This is primarily due to income from accreditation services exceeding its quarterly budget by R3.919 million.
- Expenditure was budgeted at R34.328 million for Quarter 1, however only R27.564 million of the budgeted expenditure was incurred.
- SANAS received income of R38.743 million for Quarter 1.
- 68% of the income was received from Accreditation Services, with 22% from the grant, 6% from knowledge transfer and another 4% from interest income and sundry income.

QUARTER TWO

SUMMARY OF FINANCIAL PERFORMANCE

Programme/Division/Unit	2023/24 Approved Budget	Year-to-date			
		Budget	Actual	Variance	
		R'000	R'000	R'000	Percentage
Income					
Accreditation Provision	89 956	44 760	52 497	7 737	17.00%
Knowledge Transfer	9 485	4 742	3 992	-750	-16.00%
Transfer from the dtic	34 153	17 076	17 076	0	0.00%
Interest	3 610	1 805	3 933	2 128	118.00%
Sundry income	121	60	26	-34	-57.00%
Total Income	137 325	68 443	77 524	9 081	13.00%
Expenditure					
Compensation of Employees	72 478	36 239	33 031	3 208	9.00%
Goods and Services	64 847	32 204	29 498	2 706	8.00%
Total Expenditure	137 325	68 443	62 529	5 914	9.00%
Surplus/(Deficit)	0	0	14 995	14 995	39.00%

SUMMARY OF FINANCIAL PERFORMANCE

- For the second quarter, SANAS realised a surplus of R14.995 million.
- Actual year-to-date income exceeded the quarterly budget by R9.081 million.
- This is primarily due to income from accreditation services exceeding its quarterly budget by R7.737 million.
- Expenditure was budgeted at R68.443 million for Quarter 2, however only R62.529 million of the budgeted expenditure was incurred.
- SANAS received income of R77.524 million for Quarter 2.
- 68% of the income was received from Accreditation Services, with 22% from the grant, 5% from knowledge transfer and another 5% from interest income and sundry income.

QUARTER THREE

SUMMARY OF FINANCIAL PERFORMANCE

Programme/Division/Unit	2023/24 Approved Budget	Year-to-date			
		Budget	Actual	Variance	
	R'000	R'000	R'000	R'000	Percentage
Income					
Accreditation Provision	89 956	67 140	78 568	11 428	17.00%
Knowledge Transfer	9 485	7 114	5 408	-1 706	-24.00%
Transfer from the dtic	34 153	25 614	22 199	-3 415	-13.00%
Interest	3 610	2 707	5 968	3 261	120.00%
Sundry income	121	91	44	-47	-52.00%
Total Income	137 325	102 666	112 187	9 521	9.00%
Expenditure	Budget	Budget	Actual	Variance	
Compensation of Employees	72 478	54 359	50 224	4 135	8.00%
Goods and Services	64 847	48 628	45 895	2 733	6.00%
Total Expenditure	137 325	102 987	96 119	6 868	7.00%
Surplus/(Deficit)	0	-321	16 068	16 389	30.00%

SUMMARY OF FINANCIAL PERFORMANCE

- For the quarter ended 31 December 2023, SANAS realised a surplus of R16.068 million.
- Actual year-to-date income exceeded the quarterly budget by R9.521 million.
- This is primarily due to income from accreditation services exceeding its quarterly budget by R11.428 million.
- Expenditure was budgeted at R102.987 million for Quarter 3, however only R96.120 million of the budgeted expenditure was incurred.
- SANAS received income of R112.187 million for Quarter 3.
- 70% of the income was received from Accreditation Services, with 20% from the grant, 5% from knowledge transfer and another 5% from interest income and sundry income.

SUMMARY OF FINANCIAL PERFORMANCE

- Savings were realised in the compensation of employee expenditure largely due to the position of the CFO being vacant for most of the financial year and the non-payment of performance bonuses.
- Other expenses are directly propositional to increase in activity in accreditation provision. This includes travel and assessor costs.

SUMMARY OF FINANCIAL POSITION

	Saturday, 01 April 2023	Sunday, 31 December 2023
	R	R
ASSETS		
Non-current assets	59 380 350.97	56 189 785.29
Property, Plant and Equipment	54 880 055.61	52 230 099.32
Intangible assets	4 500 295.37	3 959 685.97
Current assets	72 015 667.11	110 472 604.03
Trade debtors	10 458 379.13	21 263 668.87
Less: Provision for bad debts	(1 056 355.52)	(1 056 355.52)
Other receivables from exchange transactions	85 704.45	80 050.89
Prepaid Expenses	163 278.97	-
Cash and Cash equivalents	62 364 660.08	90 185 239.78
Total assets	131 396 018.08	166 662 389.32
EQUITY AND LIABILITIES		
Reserves	111 197 540.00	125 170 851.31
Surplus brought forward	111 197 540.00	109 100 978.88
Add: Surplus/(deficit) for the year to date		16 069 872.43
Current liabilities	20 198 478.08	41 491 538.01
Deferred income - government grant	0.00	8 538 250.03
Deferred income – invoices issued in advance	1 452 489.56	22 622 454.57
Trade creditors	6 244 956.10	906 354.50
Accrual for leave pay	3 173 689.30	3 271 027.80
Staff Bonus Accrual	3 261 317.13	3 261 317.13
Income received in advance	5 226 290.72	2 290 760.54
Other provisions	839 735.27	601 373.45
Total equity and liabilities	131 396 018.08	166 662 389.32

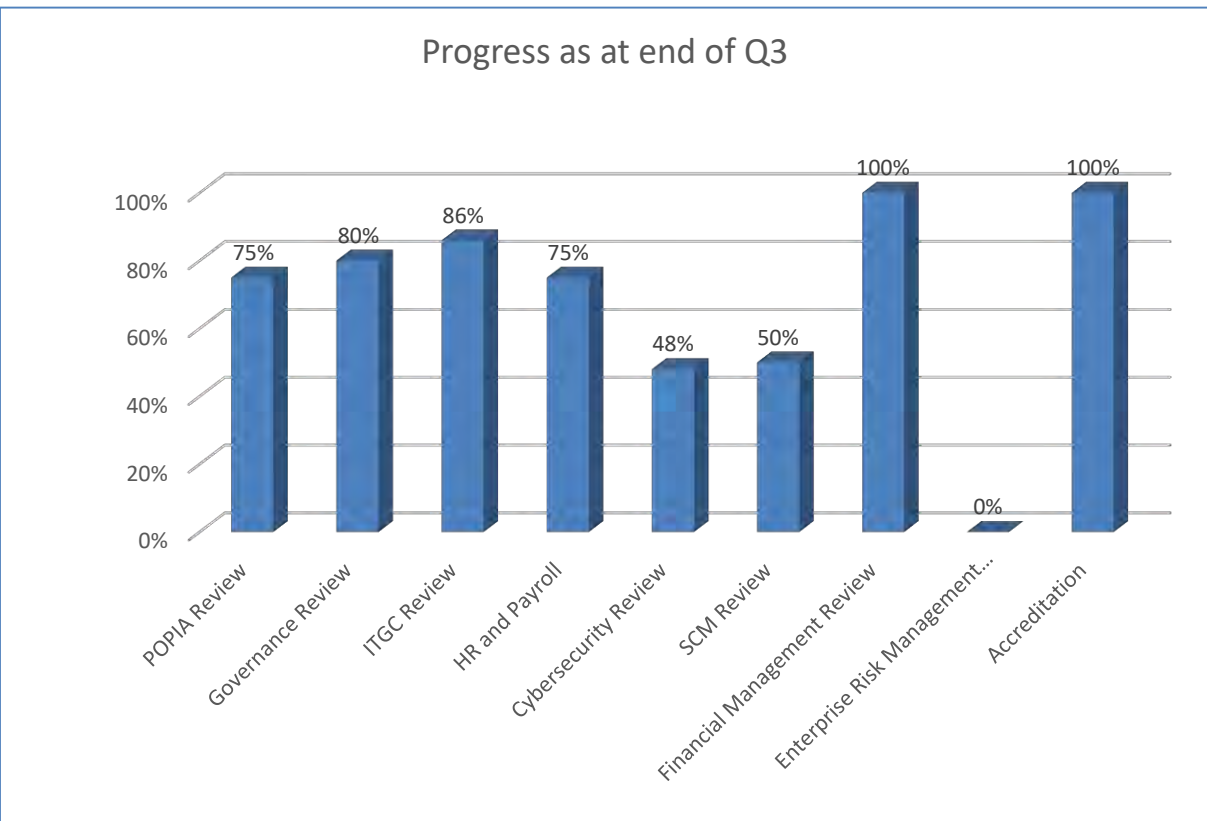
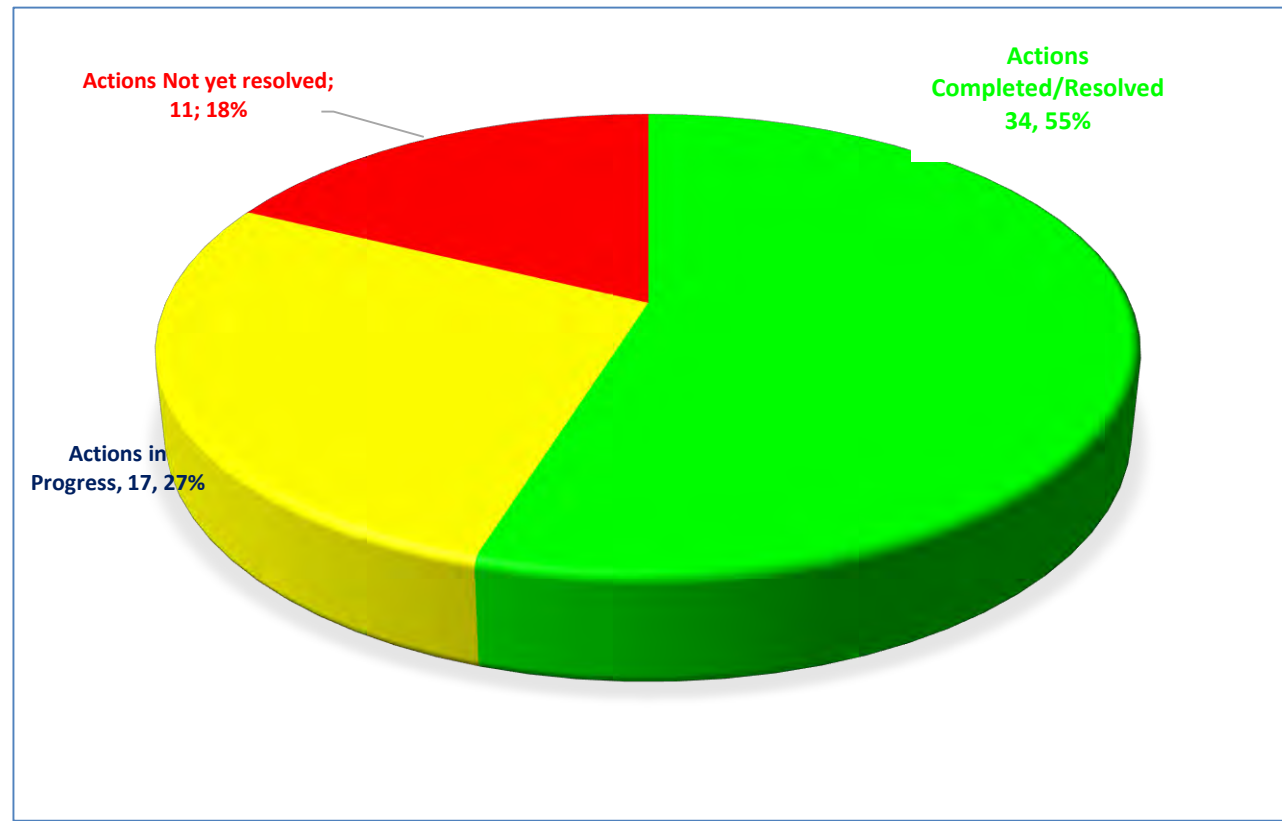
SUMMARY OF FINANCIAL POSITION

- The financial position of SANAS is strong with no major movements in individual line items except debtors.
- 85% of debtors were over 120 days due, 2.5% were 90 days, 2% were 60 days, 10% were 30 days and 1% were current.
- In line with established patterns, management expects settlement of debt by most creditors in the 4th quarter.
- Recoverability of debt is expected to be in line with previous years thus no emerging risks to be noted.
- Management has also engaged various creditors to ensure collectability (e.g NHLS).

SUMMARY OF AUDIT MATRIX

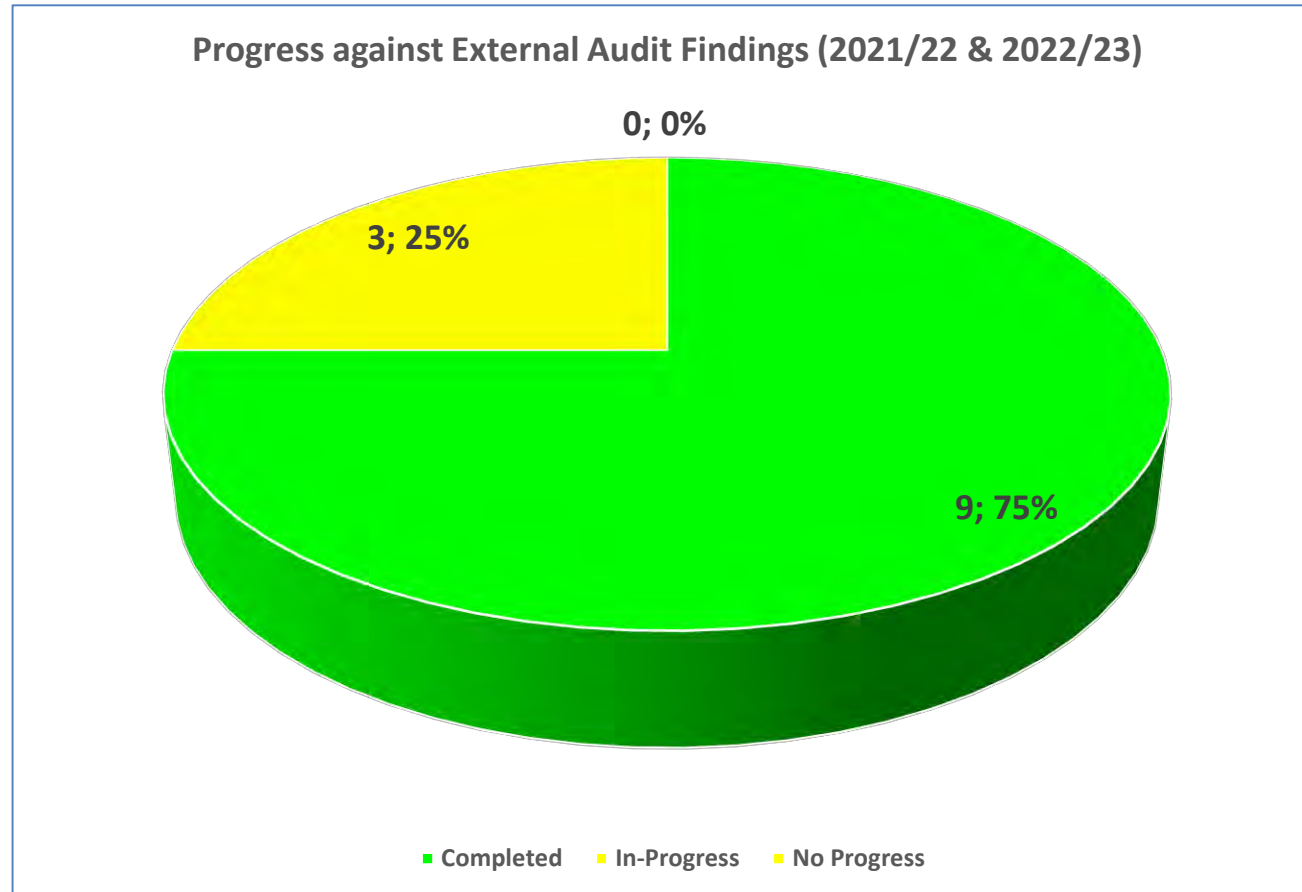
SUMMARY OF INTERNAL AUDIT FINDINGS

For the 2022/2023 and 2023/24 financial years, nine Internal Audits were conducted, and relevant Action Plans are being implemented. As at the end of Quarter 3, out of the 62 Actions that were due, 55% of the actions have been completed. Mitigating measures are being put in place to avoid a recurrence of these findings which places the exposure under control thus minimising risk to the business.



SUMMARY OF EXTERNAL AUDIT FINDINGS

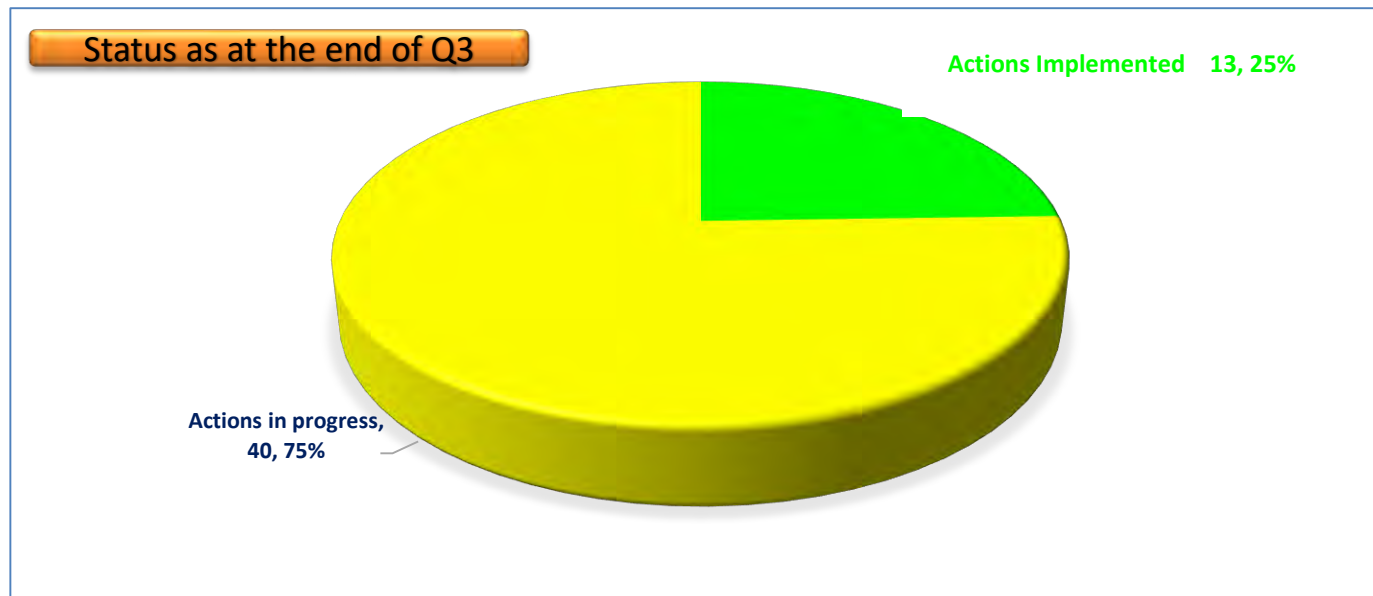
There were four (4) findings made against the entity during the 2021/2022 external audit and nine (9) findings during the 2022/2023 external audit, totalling to 13 findings. Graph below depicts progress as at end of Quarter 3 with regards to the 12 Findings that were due.



SUMMARY ON RISK MANAGEMENT REPORT

RISK MANAGEMENT (1)

No.	STRATEGIC RISKS	NUMBER OF ACTIONS
1.	Rejection of South Africa's goods and services, resulting in enterprises being uncompetitive due to Sanitary and Phyto Sanitary (SPS) and Technical Barriers to Trade (TBT)	4
2.	Inability to sustain growth due to reduced/limited resources and the cost of running the business	4
3.	Inability to execute the Mandate of the Entity due to the Shortage and Loss of critical and core skills (employees)	3
4.	Insufficient technical expertise required to assess specific accreditation scopes	6
5.	Business disruption due to failure of Information Technology (IT) systems/infrastructure and IT security	13
6.	Inability to meet the increased government requirements/changing legislative requirements and policy	7
7.	Lack of impartiality in SANAS accreditation processes.	7
8.	Business disruptions due damage or theft of facilities, equipment and vehicle fleet	9
TOTAL		53



HUMAN RESOURCE MATTERS

Industrial / Labour Relations

- ☐ Q1 = No labour relations / industrial relations matters were recorded during this reporting period.
- ☐ Q2 = One (1) written warning that is related to misconduct was issued to an employee and recorded by the HR Department.
- ☐ Q3 = Two (2) final written warnings that related to misconduct were issued to employees, two (2) informal complaints and one (1) grievance enquiry were recorded by the HR Department.
- ☐ The NEHAWU Union/Shop Stewards have an open relationship with SANAS Management which is maintained through informal sessions where the union can openly engage HR/Executive/CEO to raise matters that affect their members.
- ☐ To formalise the engagements, the ACEO has proposed four meetings in a year with the Union. With the first meeting scheduled in the first Quarter of 24/25 FY.

Skills Development

- ☐ Throughout the financial year to date, SANAS continued to focus on staff development and initiatives that contributes to socio-economic development i.e., Business-aligned bursaries to staff members, skills development interventions and internships.

Integrated Employee Wellness Programme (IEWP)

- ❑ SANAS continues to support its employees through the Employee Wellness Programme offered through the SANAS Wellness partner, ICAS. ICAS provides free counselling to staff and immediate family members at a monthly retainer fee.
- ❑ Throughout the financial year, various wellness initiatives and talks have been hosted as part of the programme, together with partners such as Momentum and Vitality, amongst others.

B-BBEE: Supplier Development and Socio-Economic Development

- ❑ SANAS continuously ensures that it supports the B-BBEE provisions and other socio-economic initiatives that are introduced by the government.
- ❑ During the second quarter, SANAS embarked on completing the process of working with the B-BBEE verification agency to get a new B-BBEE Certificate.
- ❑ The SANAS team is currently working on the recommendations report as guided by the B-BBEE Commission, to assist in improving the status level of the SANAS certificate.

HUMAN RESOURCE MATTERS (2)

Social Responsibility: Support of Current Beneficiaries - Morena Children's Village

- ❑ SANAS continues to conduct monitoring and evaluation of the previous beneficiary, Morena Childrens Village, which is black-female owned and houses over 50 orphaned children of various ages. These children are provided their basic needs including schooling.
- ❑ SANAS purchased an industrial baking oven for the home, in order to generate income and to be financially stable. Due to the home not having sufficient space for the oven, the officials from the Department of Social Development advised that the baking be put on-hold until the home have a bigger space. SANAS will continue to follow up with the home, to assess their situation.
- ❑ During the third quarter, the focus was on CSI Governance matters. SANAS has focussed on developing Corporate Social Investment Procedure which will form part of Human Resource Policies and Procedures The procedure will give guidance in terms of the nomination of beneficiaries to support, and other processes that are required to be followed.

CONCLUSION

- Following the Quarter One performance results of 87%, SANAS improved its performance to 93% for Quarters 2 & 3.
- In terms of financial performance, at the end of Quarter 3, SANAS realised a surplus of R16.068 million with actual year-to-date income exceeding the quarterly budget by R9.521 million.
- With regards to implementation of Audit recommendations, there is room for improvement and the implementation of the Audit Action Plan has been prioritised with the aim of clearing all findings by end of this financial year.
- Lastly, SANAS has concluded the development of its 2024/25 Annual Performance Plan focused on identified priorities in line with relevant Output targets of the dtic Group.

THANK YOU