

LOAs and ICT Modernisation Project

**Mr Edward Mamadise
Chief Executive Officer**

Portfolio Committee on Trade and Industry

13 JUNE 2018

NRCS representation

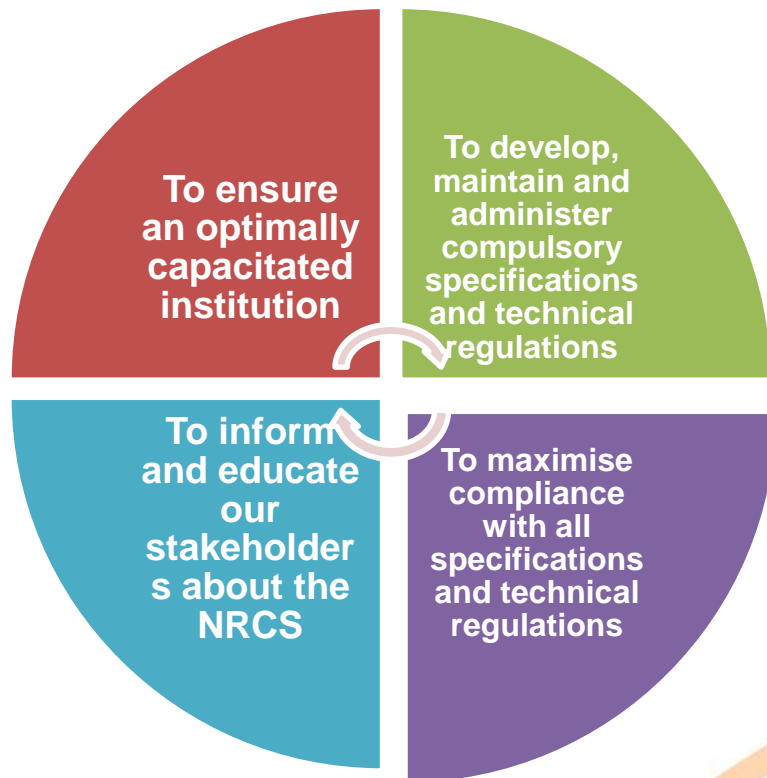
- ❑ Mr. Edward Mamadise (Chief Executive Officer)
 - ❑ Bongani Khanyile (General Manager Electro-technical)
 - ❑ Meisie Katz (General Manager – Foods)
 - ❑ Edward Matemba (Manager Strategy and Risk)
 - ❑ Alfred Sekhula (Acting CIO)

Scope of Presentation

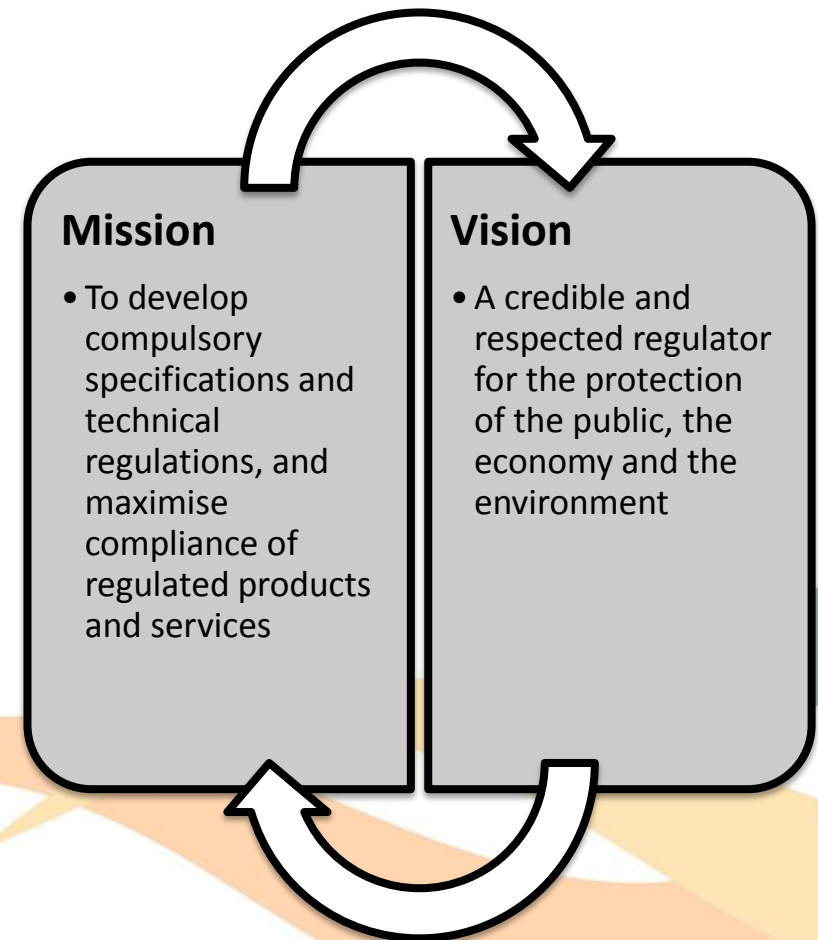
- Background
- LOAs
 - Status Report Electro-technical
 - Challenges
 - Proposed Solutions
- ICT Modernisation Project

NRCS Strategy, Mission and Vision

NRCS Strategic Goals



Mission & Vision



Legislative Mandate

Mandate of the NRCS is derived from the following Acts.

**National Regulator for Compulsory Specifications Act
(Act No. 5 of 2008)**

**Legal Metrology Act
(Act No. 9 of 2014)**

**National Building Regulations and Building Standards Act
(Act No. 103 of 1977)**

**The Foodstuffs, Cosmetics and Disinfectants Act
(Act 54 of 1972)**

Industries regulated by NRCS that require pre-market Approval

Industry Sector	Product regulated / Service rendered
Automotive	Vehicles, Replacements components
Chemicals, Materials and Mechanicals	Cement, chemicals, detergents, Personal protective equipment, safety shoes, building materials, treated timber, plastic bags, solar water heaters, plumbing equipment
Electro-technical	Electrical appliances and products, electronic appliances and products
Legal Metrology	measuring instruments used for a prescribed purpose and gaming equipment

Premarket Approvals - LOAs

RISK BASED APPROACH INTERVENTIONS

RBA Policy implementation

- RBA policy developed and approved by NRCS CEO end March 2018
- Held policy workshops with staff during April 2018
- NRCS wide implementation plan being drafted

Approvals targets

- Targets per inspector now being set according to the risk mix of applications allocated to that particular inspector. This has the impact of, for example, doubling the target in the case where all allocated applications are low risk e.g. from 6 to 12.

International Electrical Commission System of Conformity Assessment Schemes for Electro-technical Equipment and Components (IECEE Certification Body Scheme)

- Now separating CB Scheme applications to process them via an expedited process (Identified ~ 600 of such applications in the system in May 2018)

OTHER INTERVENTIONS

Capacity increase

- Temporary capacity increase from market surveillance inspectors, who have started working on CB Scheme applications in May 2018, with plans to follow up with low risk applications
- Adding two administrators to Electrotech approvals, from other business units within the organisation, to deal with administrative duties such as allocating applications, capturing, etc.
- Have currently decentralised capturing of finished applications by using administrative staff in PE and Durban to deal with capacity constraints
- Plan to deploy an additional manager in approvals, from internal resources, to reorganise the work along areas of specialisation

Candidate inspectors

- Since the last presentation, they have further been trained on an additional compulsory specification, VC9006 (geysers, covering the safety and energy efficiency)

IMPACT OF INTERVENTIONS

Approvals statistics 2017/18 Period

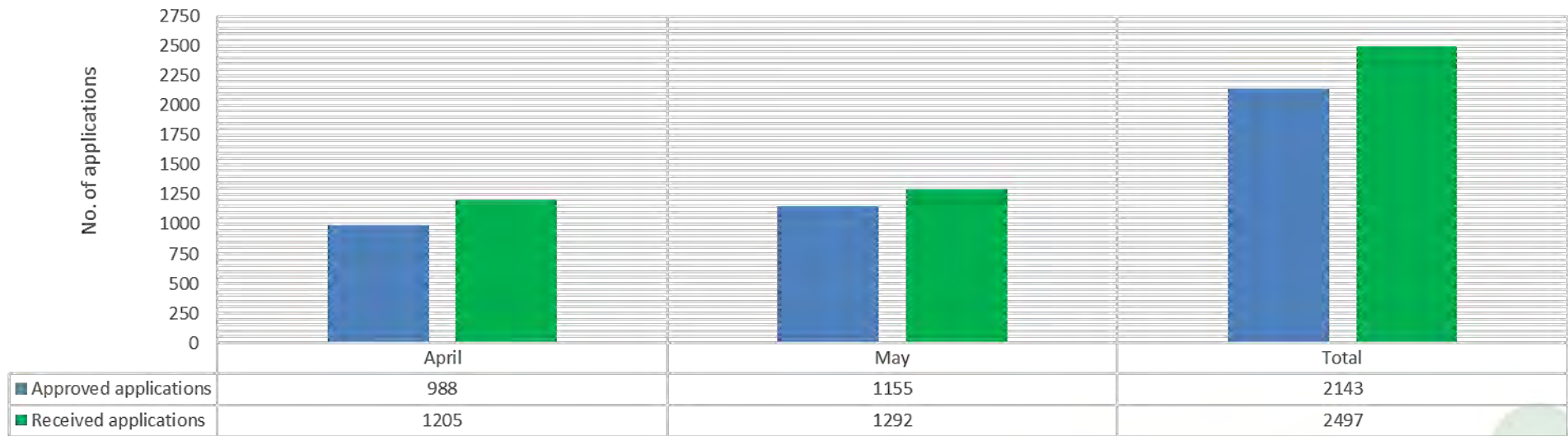
Approval Type	Applications carried over from 2016/17	Applications received in 2017/18	Total work load in 2017/18	Applications approved in 2017/18	Applications closed in 2017/18	Applications carried over to 2018/19
LOA	2907	13127	16034	9253	1545	5236
RCC/AC	53	159	212	117	53	42
TOTAL	2960	13286	16246	9370	1598	5278

- Although the throughput was less than the previous financial period, the turnaround time improved to 75% approved within 120 days compared to 37% in the previous financial period

IMPACT OF INTERVENTIONS

- **Approvals statistics**

April - May 2018 approval statistics



A stock take of applications in the system was undertaken on 5 June 2018 and there were no applications above 120 days)



ICT



Project Overview

- The Modernization Project is a suite of interdependent strategies that the NRCS plans to deploy to deal with organisational challenges
- **Purpose**
 - Revenue qualification.
 - Automation of NRCS operational processes which include collaboration with other key Stakeholders i.e. SARS and Customs
 - Automation of the NRCS approval system - LOA issuance
 - Implementation of Internal support systems - ERP

Modernisation in Nutshell.

- Modernization program covers the upgrade, integration or replacement of legacy applications, digitising way of doing things, driven by factors such as rising costs and a need for organizational agility.



Current ICT Systems

- **JDE Edwards** – ERP systems with only financial and SCM module working. This system is currently out of support from Oracle (the owners of the systems)- it needs to be changed to new systems.
- **Siebel CRM** – the system was procured to automate the approval and inspection processes, to this stage only Electro technical clients use the system for LOA application but internally the application is processed outside the system because the CRM is not user friendly and not all required capabilities are configured on CRM.

Project Plan

Task Description	Status	Dependence	Start date
BSC- drafting of specification for a resource Service Provider to assist NRCS	100% complete	Approved Business case	
BAC- Presentation, bid document approved	100% complete	1	23/02/2018
Advertising Bid for a resource company	on track 100%	2	9/3/2018 - 3/4/2018
Evaluation of Bid	100%	3	5/04/2018 - 6/04/2018
Tender award & Kickoff meeting	65%	8	2/7/2018
Business process analysis and signoff	0%	9	9/7/2018 - 31/7/2018
BSC modernisation systems Terms of Reference	0%	10	6/8/2018 - 24/08/2018
BAC- Presenting Modernisation Terms of reference to BAC for approval	0%	11	30/8/2018 - 31/8/2018
Advertising the bid	0%	12	7/9/2018 - 1/10/2018
Evaluating Bids	0%	13	2/10/2018 - 5/10/2018
Letter of appointment	0%	15	26/10/2018
Implementation of modernisation project	0%	19	7/2/2019 - 6/2/2020
Project closure	0%	20	7/2/2020

Reasons for delays

- ❑ Inadequate IT resources – NRCS IT department does not have the adequate skills to take on this project
- ❑ The timeline have been extended due to the need to appoint a service provider, to assist NRCS with business process mapping and needs analysis
- ❑ Appointment of CIO - To expedite the appointment of CIO, failed to obtain a suitable candidate through the normal recruitment process. The NRCS is embarking on a new process, utilizing a recruitment agency and the appointment will be done before end of September 2018.

Thank You