



ANNUAL REPORT 2012/13



COUNCIL FOR THE BUILT ENVIRONMENT



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COUNCIL
FOR THE BUILT
ENVIRONMENT

architecture
engineering
landscape architecture
project & construction management
property valuation
quantity surveying



ANNUAL REPORT 2012/13

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Vision

An environment built to meet people's needs and aspirations.

Mission

Implementing projects and programmes that address built environment issues and add value to the built environment professions, government and the general public.

Values

INTEGRITY

We will carry out our responsibility in a manner that will preserve and enhance the integrity of the organisation.

TRANSPARENCY

We recognise the Council for the Built Environment as a public entity and commit to providing reliable information to all our stakeholders.

EXCELLENCE

We will endeavour to achieve the best possible standards in all we do.

INNOVATION

We will continuously seek and employ better and more affordable solutions to meet the needs of our stakeholders.

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LIST OF ABBREVIATIONS AND ACCRONYMS

ARC	Audit and Risk Committee
BE	Built Environment
BEP	Built Environment Profession
BEPC	Built Environment Professional Council
BER	Bureau for Economic Research
CBE	Council for the Built Environment
CESA	Consulting Engineers South Africa
CPD	Continuing Professional Development
DPW	Department of Public Works
ECSA	Engineering Council of South Africa
EduRes	Education and Research
EXCO	Executive Committee
FINCOM	Finance Committee
HRC	Human Resource Committee
HRD	Human Resource Development
IDoW	Identification of Work
IFLA	International Federation of Landscape Architects
IPAP	Industrial Policy Action Plan
KPI	Key Performance Indicator
MoU	Memorandum of Understanding
NDP	National Development Plan
PDIs	Previously Disadvantaged Individuals
RPL	Recognition of Prior Learning
SGB	Standard Generating Bodies
SIPS	Strategic Integrated Projects
SPAID	Support Programme for Accelerated Infrastructure Development
SACAP	South African Council for the Architectural Profession
SACLAP	South African Council for the Landscape Architectural Profession
SACPCMP	South African Council for the Project and Construction Management Professions
SACPVP	South African Council for the Property Valuers Profession
SACQSP	South African Council for the Quantity Surveying Profession
UNISA	University of South Africa
VA	Voluntary Association

LEGISLATIVE MANDATES

The mandate of the CBE as outlined in Section 3 of the CBE Act 43 of 2000 is to:

1. promote and protect the interests of the public in the built environment.
2. promote and maintain a sustainable built environment and natural environment.
3. promote ongoing human resource development in the built environment.
4. facilitate participation by the built environment professions in integrated development in the context of national goals.
5. promote appropriate standards of health, safety and environmental protection within the built environment.
6. promote sound governance of the built environment professions.
7. promote liaison in the field of training in South Africa and elsewhere, and to promote the standards of such training in the country.
8. serve as a forum where the built environment professions can discuss relevant issues.
9. ensure uniform application of norms and guidelines set by the Professional Councils throughout the built environment.

STRATEGIC OVERVIEW

The strategic goals of the CBE are:

	Strategic Goal	Goal Statement
1	Support government priorities in relation to built environment matters.	Support government development priorities in relation to various BE initiatives, including infrastructure delivery programme, health and safety in construction, environmental sustainability and job creation.
2	Facilitate and monitor continued sustainable, dynamic and competent and transformed built environment professions and professionals.	Drive and facilitate skills and human resource development in the built environment in line with the mandate of the CBE, and in support of national goals and priorities as well as transformation.
3	Establish and maintain a centre of excellence for an integrated built environment body of knowledge.	Capacitate the CBE to deliver on its strategic mandate and provide research, knowledge and information on built environment issues, as well as issues of national priority and serve on a platform where built environment professions can discuss relevant issues.
4	Strengthen public protection and educate public in relation to the built environment.	Promote and enforce high standards of professional ethics and conduct within the built environment and provide information on built environment matters to the general public.



foreword

MINISTER'S FOREWORD

The Annual Report of the CBE for the 2012/13 financial year presents the overall performance of the organisation. Through this report, the CBE accounts to Parliament and to the people of South Africa on its performance, together with highlights on its Built Environment Professional Councils' performance in line with their specific mandate.

South Africa continues to drive its infrastructure development towards economic growth and job creation. I am pleased that the CBE Council revised its strategic plan during the year under review, to ensure alignment of the CBE to various development priorities of government. I believe this will yield effective programmes being implemented by the entity in the upcoming years.

Over and above the planned programmes of the 2012/13 Annual Performance Plan of the CBE, as detailed in this annual report, the organisation notably made strides in participating and contributing to some of the key initiatives of government which include interventions in skills development within the built environment, from basic education level through to tertiary education, in the candidacy / recent graduates level and ultimately at the registered professionals level.

During the year under review, the CBE also contributed to the successful signing of the Construction Health and Safety Accord by both the Department of Labour and the Department of Public Works, organised business and organised labour. The CBE will, in the upcoming financial year, facilitate the process of committing to a safe construction environment in all the six built environment professional councils. The CBE further aims to partner with the Department of Labour and the Councils, to effectively create public awareness on health and safety issues in construction.

The successful hosting of the 2013 Built Environment Indaba conference, during the year under review marks an effort to ensure effective engagement with the built environment stakeholders. This platform enabled me to highlight some of the issues that are hindering progress in the sector, including among others, transformation, skills development and funding. The 2013 Built Environment Indaba also focused on infrastructure delivery in Africa. I view this as an opportunity for the CBE going forward, to continue engaging at local and continental level, so that it will be able to formulate solutions for sustainable infrastructure that contributes to the social and economic development of Africa.

My gratitude goes to the members of the Council who have worked tirelessly with the management of the CBE to ensure that the organisation delivers on its goals.

A handwritten signature in black ink, appearing to read 'Nxesi', written over a white background.

Mr TW Nxesi, MP
Minister of Public Works
Date: 16 September 2013



chairperson CHAIRPERSON'S STATEMENT

In the context of the unqualified the 2012/13, the CBE achieved 71% of the target set for the financial year. This was amidst challenges of limited human and financial capacity resources facing the organisation. The capacitating of the organisation will be one of the priority areas in the new financial year. The CBE remains committed to aligning its strategy to government priorities specifically on issues that CBE is directly responsible for, which include human resource development and infrastructure delivery. These are delivered through the core Programmes of the CBE namely Built Environment Skills Academy, Centre for Innovation and Integrated Planning and Public Protection.

The area of human resource development in the built environment remains a priority to the CBE. As at the end of the financial year, the CBE funded 33 students from previously disadvantaged background through the bursary scheme. In addition to this, a number of engagements were undertaken with various stakeholders to establish partnerships towards ensuring sustainable production of built environment professionals. It is with great pride to report that 12 students graduated from the engineering, quantity surveying and project and construction management fields, under the funding of the CBE bursary scheme. To ensure that these graduates remain in the pipeline, a framework for structured candidacy programme was finalised in the year under review, and this will be implemented in the new financial year to assist in directing and accelerating professional registration within the built environment.

As we progress into the future, the issues of transformation remain a key concern. In the year under review, the CBE developed a transformation framework for the built environment which outlines short-, medium- and long term interventions to facilitate transformation within the sector. In the upcoming year, we will collaborate with the Professional Councils to develop specific targets for achieving transformation.

I extend my gratitude to the Department of Public Works for their guidance, my fellow Council members for their continued commitment to the achievement of the CBE mandate and would also like to acknowledge the efforts of the management team at CBE and all the various stakeholders that continue to support the CBE in different ways.

A handwritten signature in black ink, appearing to read 'Portia Tau-Sekati'.

Ms. Portia Tau-Sekati
Chairperson
Date: 28 August 2013



report

CHIEF EXECUTIVE OFFICER'S (CEO) REPORT

After a year having joined the CBE, one of my goals was to put the CBE as the centre body on built environment issues, I can report that visible progress has been made towards achieving that goal.

Organisational Performance

Out of 38 planned targets for the year, 27 (71%) of these were achieved successfully. Over and above the planned targets for the year, the CBE was involved in various key initiatives in a partnership with a number of stakeholders. With regards to academic institutions, the CBE had engagements with University of KwaZulu-Natal with the aim of assisting them to address challenges relating to the closure of the Quantity Surveying and Construction Management academic programmes. Through CBE's intervention, the Construction SETA (CETA) committed to fund the re-opening of these two programmes.

During the year under review, the CBE provided input as a partner to the Department of Higher Education and Training into skills requirements for the Strategic Integrated Projects under the auspices of Presidential Infrastructure Coordinating Commission.

The organisation continues to liaise directly with the industry role players to assist the National Department of Public Works in augmenting its technical capacity particularly in areas of engineering, quantity surveying and construction project management.

A co-operation partnership with MISA (Municipal Infrastructure Agency), for technical skills development initiatives in municipalities gained momentum and a research on the status analysis on current technical skills at 13 largest municipalities, was undertaken.

A task team represented by four Professional Councils was set up to develop and oversee the implementation of a structured Candidacy Programme for the built environment professions. This Structured Candidacy Programme aims to provide broad principles on practical training and mentoring of candidates across the six built environment professions.

On the initiative on Identification of Work; (work that can only be undertaken by registered persons); applications for exemption for 5 Professional Councils, excluding engineering identification of work, were submitted to the Competition Commission.

The process to expedite the appeal cases submitted to the CBE remains a challenge, as the statutory deadline of 60 days to conclude each case is still not achievable. During the period under review, the CBE undertook to establish a committee of chairpersons to deal with the hearing of appeal cases.

Financial Performance

For the year under review, the CBE was allocated R27 million by the Department of Public Works. Over and above the allocated amount, additional funds were received by the CBE from bank interest, levies and Department of Public Works on project based request. The CBE utilised this allocation to deliver on planned projects as per the Annual Performance Plan, as well as other priority projects identified during the course of the year. The detailed financial performance is as outlined in the audited financial statement which is part of this document.

It gives me great pleasure to report that the CBE once again received an unqualified audit report.

Summary on the Performance of the Six BEPCs

Transformation in the racial and gender demographics of the six built environment professions has been identified as a critical area that needs urgent attention and intervention.

The CBE will continue to work with the professional councils, the Department of Public Works and relevant stakeholders to further improve policy and regulatory instruments aimed at ensuring that the Professional Councils adequately respond to the developmental needs of the country.

As we move into the future, the CBE and the Councils will continuously strengthen cooperation towards effective delivery of their respective mandates.

Conclusion

The extensive progress in performance, recorded in this annual report, is attributable to the CBE staff for their commitment in achieving the goals set for the CBE, the CBE Council and the Department of Public Works for their guidance and oversight as well as all CBE's stakeholders for their valuable inputs and support.



Ms. Gugu Mazibuko
Chief Executive Officer
Date: 16 August 2013

CBE PURPOSE AND FUNCTION

The CBE Act of 2000 establishing the CBE was passed by Parliament in November 2000 along with Acts regulating and re-establishing the six Built Environment Professional Councils (BEPCs). The Act became operational in September 2001, following the establishment of the six BEPCs for architects, engineers, landscape architects, project and construction managers, property valuers and quantity surveyors.

Some of the key functions assigned by the CBE Act include:

- a. Advise government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;
- b. Facilitate interministerial co-operation concerning issues relating to the built environment;
- c. Provide advice and consultation on national policy that could impact on the built environment, human resource development in relation to the built environment professions, and the recognition of new professions;
- d. Comment, if necessary, on all proposed legislation impacting on health and safety in the built environment;
- e. Advise the Councils for the Professions on matters of national importance where the needs of State, as communicated to the Council through the relevant Minister, require joint and coordinated action by the built environment professions;
- f. Ensure the consistent application of policy by the Councils for the Professions with regard to: accreditation, registration, competence testing of registered persons, codes of conduct for the professions, principles for determination of fees in accordance with any legislation relating to the promotion of competition, and standards of health, safety and environmental protection within the built environment.
- g. Act as an appeal body with regard to matters referred to it in terms of law regulating the built environment professions.

The CBE exists to drive policy coordination and to ensure consistency in application of policy within the BE. Broadly, the CBE also promotes the participation of BEPs in integrated development within the context of national goals. The CBE also acts as the conduit for communication between government and BEPs.



ANNUAL PERFORMANCE REPORT

ANNUAL PERFORMANCE REPORT

The CBE implements its Annual Performance Plan through four programmes namely; Administration, Skills Academy, Centre for Innovation and Public Interest. The organisational performance status as confirmed by the Auditor-General indicates that 71% of all the targets were successfully achieved and 29% of the targets were not achieved. Details are provided below:

PROGRAMME 1: ADMINISTRATION

***Projects** indicating a zero budget are regarded as part of a normal course of business. Their budgets are reflected in the remuneration costs.

*** Budget and expenditure** for committee meetings accounted for under Council fees.

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Targets and Actuals				Corrective Action in case of poor spending		
				Actual Performance	Deviation from the Annual target	Corrective action	Annual budget		Actual Expenditure	% Variance
							R'000	R'000		
Strengthen the administration function of the CBE	Implementation of systems, processes and controls designed to assist the organisation to deliver on its strategic mandate and goals	Number of stakeholder surveys conducted	One stakeholder survey conducted by 31 March 2013	Not achieved	Survey put on hold to focus on strengthening stakeholder relations	Survey will be undertaken in the 2014/15 financial year	0	0	0	None
	Number of reports produced on the implementation of the applicable recommendations of the stakeholder surveys	One report produced on the implementation of the stakeholder surveys by 31 March 2013	Achieved	One report produced on recommendations of the stakeholder surveys	None	None	0	0	0	None

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Targets and Actuals						Corrective Action in case of poor spending	
				Actual Performance	Deviation from the Annual target	Corrective action	Annual budget		Actual Expenditure		% Variance
							R'000	R'000			
Strengthen the administration function of the CBE	Implementation of systems, processes and controls designed to assist the organisation to deliver on its strategic mandate and goals	Number of policy review sessions conducted	One policy review session held by 30 September 2012	Achieved One policy review session held by 30 September 2012	None	None	0	0	0	0	None
Strengthen the administration function of the CBE	Implementation of systems, processes and controls designed to assist the organisation to deliver on its strategic mandate and goals	Number of planning sessions held	Two planning sessions held by 31 March 2013	Achieved Two planning sessions held	None	None	0	0	0	0	None

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Targets and Actuals					% Variance	Corrective Action in case of poor spending
				Actual Performance	Deviation from the Annual target	Corrective action	Annual budget	Actual Expenditure		
						R'000	R'000			
Strengthen the administration function of the CBE	Implementation of systems	Number of performance agreements signed and processed	All performance agreements signed and processed by the end of the first quarter	Achieved All performance agreements signed and processed by the end of the first quarter	None	None	0	0	0%	None
Strengthen the administration function of the CBE	Implementation of systems, processes and controls designed to assist the organisation to deliver on its strategic mandate and goals	Number of performance management review sessions conducted	Four quarterly reviews sessions on performance management conducted	Achieved Four quarterly reviews conducted	None	None	0	0	0%	None
		Number of implementation reports on climate survey	One implementation report available by 31 March 2013	Achieved One implementation report available	None	None	0	0	0%	None

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Targets and Actuals					% Variance	Corrective Action in case of poor spending	
				Actual Performance	Deviation from the Annual target	Corrective action	Annual budget				Actual Expenditure
							R'000	R'000			
Strengthen the administration function of the CBE	Implementation of systems, processes and controls designed to assist the organisation to deliver on its strategic mandate and goals	Number of Council meetings coordinated and held	Two Council meetings held by 31 March 2013	Achieved Four Meetings held	None	None	*	*	*		
			Three EXCO meetings held by 31 March 2013	Achieved Four meetings held	None	None	*	*	*		
Strengthen the administration function of the CBE	Implementation of systems, processes and controls designed to assist the organisation to deliver on its strategic mandate and goals	Number of HRC meetings held	Three HRC meetings held by 31 March 2013	Achieved Three meetings held	Meeting Calendar reshuffled during the first quarter.	All three meetings held by the third quarter as per APP targets	*	*	*		
			Three FINCOM meetings held by 31 March 2013	Achieved Four meetings held	None	None	*	*	*		

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Targets and Actuals					Corrective Action in case of poor spending	
				Actual Performance	Deviation from the Annual target	Corrective action	Annual budget			% Variance
							R'000	Actual Expenditure R'000		
Strengthen the administration function of the CBE	Implementation of systems, processes and controls designed to assist the organisation to deliver on its strategic mandate and goals	Number of EduRes Committee meetings held	Three EduRes meetings held by 31 March 2013	Achieved Three meetings held	None	None	*	*	*	*
			Three IDoW meetings held by 31 March 2013	Not Achieved Two IDoW meetings held	Two meetings held. Progress report circulated electronically and agreed to by members and this substituted the third meeting	No further meeting required as the progress report has been discussed and agreed to by the members	*	*	*	*
			Review the risk management strategy and plan by 30 September 2012	Not Achieved	Strategic risks ranking document submitted to EXCO but could not be finalised	To be finalised in the next financial year	0	0	0%	None

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Targets and Actuals					Corrective Action in case of poor spending	
				Actual Performance	Deviation from the Annual target	Corrective action	Annual budget	Actual Expenditure		% Variance
							R'000	R'000		
Strengthen the administration function of the CBE	Implementation of systems, processes and controls designed to assist the organisation to deliver on its strategic mandate and goals	Number of reports on compliance with milestones with milestones	Four quarterly reports on compliance with milestones of the risk management plan by 31 March 2013	Achieved Four quarterly risk reports submitted to ARC and EXCO	None	None	0	0	0%	None
		Availability of a corporate governance framework	Implement the framework by 31 March 2013	Achieved	None	None	0	0	0%	None
		Number of expenditure reports produced	Four expenditure reports produced by 31 March 2013	Achieved Four expenditure reports produced	None	None	0	0	0%	None

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Targets and Actuals						Corrective Action in case of poor spending	
				Actual Performance	Deviation from the Annual target	Corrective action	Annual budget		Actual Expenditure		% Variance
							R'000	R'000			
Strengthen the administration and function of the CBE	Implementation of systems, processes and controls designed to assist the organisation to deliver on its strategic mandate and goals	Number of workshops conducted	Four risk management, whistle blowing and FPP workshops conducted by 31 March 2013	Achieved Four risk management, whistle blowing and FPP workshops conducted	None	None	*	*	*	*	
				Achieved One Annual Financial Statement compiled and submitted	None	None	0	0	0	0%	None
				Achieved Three budget estimates submitted to the CEO	None	None	0	0	0	0%	None
				Achieved All four asset verifications conducted	None	None	0	0	0	0%	None

PROGRAMME 2: BE SKILLS ACADEMY

Strategic Goal	Strategic Objectives	KPIs	Annual Target	Actual Performance	Quarterly Targets and Actuals					Corrective action in case of poor spending
					Deviation from the Annual targets	Corrective action	Annual budget	Actual Expenditure	% Variance	
						R'000	R'000	R'000	R'000	
Drive support and advise transformation in the BE	Drive and facilitate skills development within the BE	Number of existing students from the previously disadvantaged backgrounds receiving CBE financial assistance	Three of existing students from previously disadvantaged backgrounds receiving CBE financial assistance by 31 March 2013	Achieved 33 students from previously disadvantaged backgrounds receiving CBE financial assistance	None	1 893	2 087	(10%)	Variance is due to travel costs which were not budgeted for in the previous financial year. Under this budget the CBE will in future include this line item on this project	
		Availability of a structured candidacy programme for the BE	Approved feasibility study report by 30 March 2013	Achieved Report approved by the CEO	None	0	0	0%	0	

Strategic Goal	Strategic Objectives	KPIs	Annual Target	Actual Performance	Quarterly Targets and Actuals					
					Deviation from the Annual targets	Corrective action	Annual budget R'000	Actual Expenditure R'000	% Variance	Corrective action in case of poor spending R'000
Facilitate integrated development planning	Drive and facilitate skills development within the BE	Availability of the skills academy programme	Feasibility report and approved business model for the BE skills academy by 31 March 2013	Achieved Report developed but recommended not feasible to develop academy	None	None	0	0	0%	0
		Number of implementation report/s on the SGB policy framework	Implementation report on SGB framework approved by the Council	Not Achieved	Policy framework developed during the financial year	Implementation to be done once approval received from the DPW in the new financial year	35	35	0%	None

PROGRAMME 3: CENTRE FOR INNOVATION AND INTEGRATED PLANNING

Strategic Goal	Strategic Objectives	KPIs	Annual Target	Actual Performance	Annual Targets and Actuals				Corrective action in case of poor spending
					Deviation from the Annual targets	Corrective action	Annual budget	Actual Expenditure	
						R'000	R'000		
Lead and strengthen stakeholder management	Facilitate participation of BEPs to integrated development within the context of national goals	Availability of database repository	Full roll-out of data repository by 30 January 2013	Achieved Roll-out to Research Department only	None				
Reposition the CBE in the market place		Percentage increase in external access to database	60% increase in external access of the databases by 31 March 2013	Not Achieved	Access to BER database was only limited to CBE due to licence conditions	0	0	0	None
		Percentage increase in internal access to database	80% increase in internal access of the databases by 31 March 2013	Achieved	Who owns whom and BER databases accessible to Research and Policy Department	0	0	0	None
		Number of databases accessible	Six databases accessible by 31 March 2013	Not Achieved	Three instead of six databases are currently accessible	331	331	0	None

Strategic Goal	Strategic Objectives	KPIs	Annual Target	Actual Performance	Annual Targets and Actuals				Corrective action in case of poor spending	
					Deviation from the Annual targets	Corrective action	Annual budget	Actual Expenditure		% Variance
Inform and influence government infrastructure spend and professional practice to be responsive to public policy priorities	Facilitate participation of BEPs to integrated development within the context of national goals	Number of advisory reports submitted to the Minister	Two advisory reports submitted to the Minister by 30 January 2013	Not Achieved	One advisory report submitted to the Minister	The second report will be submitted to the Minister in June	125	102	18%	Underspending is due to savings on travel and costs related to hosting of a stakeholder workshop
			Implementation report submitted to Council by 30 November 2012	Not Achieved	Policy framework developed during the current financial year	Implementation to begin once approval is received from the DPW in the new financial year	35	35	0	None
To improve corporation relationships with suitable partners locally and internationally	Number of regularised MoUs and Memorandums of Agreement	Two MoUs concluded within Southern African Development Community region by 31 March 2013	Achieved	Two MoUs concluded with Zambia and Namibia (DPW)	None	None	0	0	0	None
		One BE Indaba event hosted by 30 November 2012	Achieved	Indaba hosted in March 2013	None	None	600	142	24%	Saving realised due to other cost incurred by the DPW

PROGRAMME 4: PUBLIC INTEREST

Strategic Goal	Strategic Objectives	KPIs	Annual Target	Actual Performance	Annual Targets and Actuals				Corrective action in case of poor spending
					Deviation from the Annual targets	Corrective action	Annual budget	Actual Expenditure	
						R'000	R'000		
Strengthen and implement a public protection regime	Promote and enforce high standards of professional ethics within the BE	Number of completed scopes of work for the professions (IDoW)	One IDoW scope of work	Achieved	Eight engineering scopes completed	185	136	26.%	Outstanding balance of the contract price will be paid in the next financial year as per terms of the contract
		Availability of an implementation report on registration regulation	Implementation report on registration regulations submitted to the Council by 26 February 2013	Not Achieved	Report on registration regulations submitted to EXCO indicating that the regulations were not implemented.	0	0	0	Proposals on registration regulations will be submitted to the DPW by the end of April 2013.
		Availability of an implementation report on Appeals regulation	Implementation report on Appeals regulations submitted to Council by 31 December 2012	Not Achieved	Report on appeals regulations submitted to EXCO indicating that the regulations were not implemented	0	0	0	Proposals on appeals regulations will be submitted to DPW by the end of April 2013.

Strategic Goal	Strategic Objectives	KPIs	Annual Target	Actual Performance	Annual Targets and Actuals				
					Deviation from the Annual targets	Corrective action	Annual budget	Actual Expenditure	% Variance
						R'000	R'000		
		Availability of a feasibility report on shared legal services	Implementation of shared legal services by 31 March 2013	Achieved	Report recommended that it is not feasible to implement shared legal services on any of the BEPCs	0	0	0	0
Strengthen and implement a public protection regime	Promote and enforce high standards of professional ethics within the BE	Number of appeal cases resolved within legal time frame	All appeal cases resolved within legal time frames	Not Achieved	Appeal cases not resolved within legal time frames	280	355	(21%)	Overspending is due to unforeseen costs related to preparatory work and complexity of some of the appeal cases being handled



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The CBE consists of a non-executive Council which serves as the organisation's accounting authority. The accounting authority reports to the Minister of Public Works, as the Executive Authority.

The composition of the Council

In terms of the CBE Act, 2000 (Act 43 of 2000), the Council consists of 20 members appointed by the Minister of Public Works. The term of office of the Council members is four years and they are eligible for reappointment.

The 20-member Council comprises:

- One representative from the DPW.
- Three persons from state departments within whose functional areas of the professions are also practised.
- Two persons from each BEPCs.
- Four persons from the public.

The Council currently consists of 18 members due to the resignation of one member in the previous financial year and another vacancy that had never been filled since the beginning of the current term of office.

During the financial year under review, the Minister appointed two members to the Council to replace two members who resigned. The resignations were as a result of the Engineering Council of South Africa (ECSA) nomination and appointment process that had to be redone.

The Council is responsible for providing overall guidance on the strategy, business planning and related affairs of the CBE. The roles and responsibilities of the Council are further delineated in a Council Charter and Code of Ethics.

The quorum for any meeting is based on the majority of the members on the basis of 50% plus one. The Council is obliged to meet at least twice in each financial year. However, during the financial year under review, the Council met seven times. The reason for the additional meetings arose as a result of several pressing matters that had to be attended to, including workshops held. The workshops were held in December 2012 and March 2013 respectively.

Table 1: Record of attendance of Council members for the year under review:

COUNCIL			
Name	Date of Appointment	Total number of meetings	Total Attended
Portia Tau-Sekati (C)	03/06/2010	7	7
Phill Mashabane (DC)	03/06/2010	7	4
Godfrey Chaane	03/06/2010	7	5
Charles Israelite	03/06/2010	7	7
Frederick Johnson	03/06/2010	7	6
Menno Klapwijk	03/06/2010	7	4
Molefi Kubuzie	03/06/2010	7	5
Eugenia Kula-Ameyaw	03/06/2010	7	4
Victor V Mdwara	03/06/2010	7	4
Lucky Molobela	03/06/2010	7	6
Zanele Mvusi	03/06/2010	7	4
Sindisiwe Ngxongo	03/06/2010	7	6
Dinga Nkhwashu	26/07/2010	7	6
Inge Pieterse	03/06/2010	7	6
Lula Scott	03/06/2010	7	6
Hendrik van der Hoven	03/06/2010	7	6
Cyril V Gamede	11/11/2012	7 ¹	2
Adrian M Peters	11/11/2012	7 ²	3
Prof Thoko Majazi	Resigned 29/10/2012	7 ³	0
Chris Campbell	Resigned 13/09/2012	7 ⁴	1

A special induction had been arranged for the newly appointed representatives from the Engineering Council of South Africa (ECSA) and was attended by Ms Tau-Sekati (Chairperson); Mr Mashabane (Deputy Chairperson); Mr Gamede and Mr Peters.

¹ Newly appointed member – only three Council meetings applicable

² Newly appointed member – only three Council meetings applicable

³ Member resigned – only three Council meetings applicable

⁴ Member resigned – only four Council meetings applicable.

Executive Committee (EXCO)

In terms of the CBE Act of 2000, the Council is obliged to appoint an EXCO consisting of the Chairperson of the Council and not more than three other members elected by the Council and it may also appoint an alternative member. The EXCO comprises five members who serve for one year and may be re-elected.

The EXCO has the power to:

- a. ensure that the resolutions of the Council are carried out.
- b. consider any matter delegated to it by the Council in terms of any law and to advise the Council in connection therewith.
- c. prepare estimates of revenue and expenditure of the Council.
- d. control the expenditure of monies voted by the Council in its approved estimates and all other monies or funds made available by the Council.
- e. exercise or perform any power, duty or function delegated to it by the Council under section 16 of the CBE Act of 2000.
- f. report on its activities at every ordinary meeting of the Council.

The EXCO may hold meetings as and when necessary, but at least four times in each financial year. During the financial year under review, the EXCO met four times.

Table 2: Record of attendance of members for the year under review

EXCO			
Name	Date of Appointment	Total number of meetings	Total Attended
Portia Tau-Sekati (C)	03/06/2010	4	4
Phill Mashabane (DC)	03/06/2010	4 ⁵	1
Eugenia Kula-Ameyaw	03/06/2010	4	4
Lucky Molobela	03/06/2010	4	1
Dinga Nkhwashu	26/07/2010	4	4
Prof Thoko Majazi	Resigned 29/10/2012	4 ⁶	0

⁵ Appointed Deputy-Chairperson on 11/11/2012 and therefore became a member of the EXCO

⁶ Member resigned – only two EXCO meetings applicable

Committees

The Council is given the authority to appoint committees to advise it on any matters under its jurisdiction. The Council appointed the following committees to support the CBE mandate: Audit and Risk Committee (ARC); Transformation Committee; Finance Committee (FINCOM); Education and Research (EduRes) Committee; Human Resources Committee (HRC) and IDoW Committee.

Audit and Risk Committee

The ARC comprises of five members, the majority of whom are independent non-executive members.

The main objective of the committee is to assist the Council in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control procedures and the preparation of accurate financial reports and statements of compliance with all legal requirements and accounting standards.

The ARC is entitled to meet both with internal and external auditors, in the absence of management to discuss relevant issues.

The committee comprises two members of the Council. The CEO, Chief Financial Officer (CFO)/Risk Manager and Chief Operations Officer (COO) are invited to attend all meetings of this committee.

The duties of this committee include ensuring the development of a risk register for the organisation; reviewing and assessing the integrity of the risk-control processes and systems; ensuring that the risk policies are managed effectively and in accordance with the Risk Management Framework approved by the Council and executive management; and contributing to a climate of discipline and control which reduces the opportunity for fraud and other operational losses.

Table 3: The committee met four times during the financial year as set out below. Some members attended additional meetings and workshops of the Council.

ARC			
Name	Date of Appointment	Total number of meetings	Total Attended
Dawood Coovadia (C)	06/12/2010	7 ⁷	7
Fentin Gastin	06/12/2010	7 ⁸	4
Kgodu Mthipe	08/02/2013	4 ⁹	2
Victor V Mdwara	03/06/2010	4	2
Zanele Mvusi	03/06/2010	4	1
Thandi Sihlaba	Resigned 06/04/2012	4 ¹⁰	1

Finance Committee

This committee comprises four members of the Council. The purpose of the committee is to review the CBE's investment, budgets, and finances, thereafter make the necessary recommendations for the Council's approval.

Table 4: The committee met three times during the financial year as set out below

FINCOM			
Name	Date of Appointment	Total number of meetings	Total Attended
Eugenia Kula-Ameyaw (C)	03/06/2010	3	3
Frederick Johnson (DC)	03/06/2010	3	3
Phill Mashabane	03/06/2010	3	3
Sindisiwe Ngxongo	03/06/2010	3	1

⁷ Attended ARC and Council-related meetings in addition

⁸ Attended ARC and Council-related meetings in addition

⁹ Appointed in February 2012 and attended a ARC and Council-related meeting

¹⁰ Resigned at the beginning of the financial year under review and only one ARC meeting applicable.

Human Resources Committee

This committee comprises of three members of the Council. In line with best practice, the CEO together with the CFO and when required the Manager: Facilities and Administration attend as invitees and recuse themselves when their remuneration and performance matters are discussed.

Table 5: The committee met three times during the financial year as set out below:

HRC			
Name	Date of Appointment	Total number of meetings	Total Attended
Lucky Molobela (C)	03/06/2010	3	3
Portia Tau-Sekati (DC)	03/06/2010	3	3
Victor V Mdwarwa	03/06/2010	3	2

Education and Research Committee

This committee comprises three members of the Council. The purpose of the committee is to monitor the research and policy functions, as well as skills development within the CBE.

Table 6: The committee met three times during the financial year as set out below:

EduRes Committee			
Name	Date of Appointment	Total number of meetings	Total Attended
Menno Klapwijk (C)	03/06/2010	3	3
Godfrey Chaane	03/06/2010	3	2
Phill Mashabane	03/06/2010	3	3
Adrian M Peters	11/11/2012	3 ¹¹	0
Prof Thoko Majozi	Resigned 29/10/2012	3	1

¹¹ Newly appointed member, only one EduRes meeting applicable.

Transformation Committee

This committee comprises the Chairperson, Deputy Chairperson and all chairpersons of committees. The purpose of the committee is to develop a transformation framework for the professions to drive the transformation agenda.

Table 7: The committee met twice during the financial year as set out below:

Transformation Committee			
Name	Date of Appointment	Total number of meetings	Total Attended
Portia Tau-Sekati (C)	03/06/2010	2	2
Eugenia Kula-Ameyaw	03/06/2010	2	2
Lucky Molobela	03/06/2010	2	1
Dinga Nkhwashu	26/07/2010	2	2
Lula Scott	03/06/2010	2	1
Prof Thoko Majazi	Resigned 29/10/2012	2	0

IDoW Committee

This committee comprises seven members of the Council. A representative of each of the BEPCs is a member of this committee. The purpose is to identify work for the professions as legislated in the CBE Act.

A progress report to communicate the status of the submission to the Competition Commission replaced the convening of a third meeting.

Table 8: The committee met twice during the financial year as set out below:

IDoW Committee			
Name	Date of Appointment	Total number of meetings	Total Attended
Dinga Nkhwashu (C)	26/07/2010	2	2
Charles Israelite (DC)	03/06/2010	2	1
Molefi Kubuzie	03/06/2010	2	2
Victor V Mdwara	03/06/2010	2	0
Inge Pieterse	03/06/2010	2	2
Lula Scott	03/06/2010	2	2
Hendrik van der Hoven	03/06/2010	2	2
Chris Campbell	Resigned 13/09/2012	2	1



HUMAN RESOURCE REPORT

HUMAN RESOURCE (HR) REPORT

OVERVIEW

- Amongst priorities for 2012/13 financial year, was ensuring alignment of employee performance to organisational performance. Performance management is aimed at improving employee performance towards achieving the organisational goals. The Employee Performance Management and Development System was reviewed to align individual key performance areas with the strategic objectives of the organisation. In this regard, all employees entered into performance agreements and concluded quarterly performance reviews.
- Health awareness initiatives were facilitated through the Employee Wellness Programme. Health and wellness days such as the World AIDS Day and hosting of basic health screening and preventative vaccination were some of the successful events held during the year.
- HR policies were developed and reviewed periodically to incorporate legislation updates and industry norms. A new policy dealing with employees' fixed-term contracting was developed. Seven HR policies were reviewed and approved during the year under review.
- The results of a climate survey held during the previous year reflected challenges within the areas of performance and quality management, organisational branding and talent management. Training and team development courses were identified to address evident staff development related concerns. A team development session was also held in this regard.
- Whilst the long-term objective of succession planning is to ensure that a pool of talented employees is retained, the most immediate objective is to ensure key positions are held by talented and well-groomed employees. In this regard the organisation is in the process of resuscitating the succession plan. This will include competency assessments and mentorship implementation. Plans are also in place to recruit interns. Although the internship programme aims to assist unemployed graduates with on-the-job training within their field of study, the organisation will optimise the opportunity by fulfilling its strategic human capacity needs.

Table 9: Personnel cost by salary band

Level	Personnel Expenditure (R 000)	% of personnel exp to total personnel cost	Weighted No of employees	Average personnel cost per employee (R000)
Top Management	1 033 820	7.2%	2	1 033 820
Senior Management	2 220 894	15.5%	2	1 110 447
Middle Management	4 378 298	30.6%	6	729 716
Junior Management	1 777 412	12.4%	3	592 471
Professionals	2 969 437	20.7%	7	424 205
Administrative	1 630 201	11.4%	6	271 700
Semi-skilled	314 034	2.2%	3	104 678
TOTAL	14 324 095			

Employment Equity Statistics

Statistical comparison below is indicative of racial and gender equity spread across population groups.

There is adequate representation in terms of other population groups, with the exception of the Indian/Asian and coloured population. At 0% Indian/Asian population, followed by the coloured population at 7.4%, the CBE will concentrate on correcting this inadequacy at its next recruitment opportunity.

Table 10: CBE statistics by population groups and gender, March 2013

Population group	Male		Female		Total	
	Number	% of male population	Number	% of female population	Number	% of total population
African	9	81.8	13	81.3	22	81.5
Coloured	1	9.09	1	6.2	2	7.4
Indian/Asian	0	0.00	0	0.0	0	0.0
White	1	9.09	2	12.5	3	11.1
Total	11	100.0	16	100.0	27	100.0

Employment changes

Staff movement has been generally stable for the CBE, although during the period under review, key positions including the COO, Manager Research and the Manager in the Office of the CEO experienced internal movements in terms of acting arrangements. This was due to the rare occurrence of a recurring secondment arrangement of the COO with the executive authority. Acting arrangements have therefore been extended twice to augment this temporary vacancy. Measures to correct the situation are underway.

Two terminations took place in the CEO's Office and the Regulations and Legal Services department respectively.

Two permanent appointments were concluded within the Regulations and Legal Services department. The recruitment process of CEO was also concluded during the year resulting in a five-year contract.

Table 11: Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employments at end of the period
Top Management	1	1	1	1
Senior Management	2	0	0	2
Middle Management	6	1	1	6
Junior Management	3	0	0	3
Professionals	6	1	0	7
Administrative	6	0	0	6
Semi-skilled	2	0	0	2
TOTAL	26	3	2	27

Table 12: Performance rewards

Salary Band	Performance Reward	Personnel Expenditure	% of performance rewards to total personnel cost
Top Management	0	0	0
Senior Management	1	11 830	0.1%
Middle Management	4	38 177	0.3%
Junior Management	1	4 245	0.0%
Professionals	7	33 561	0.2%
Administrative	4	11 738	0.1%
Semi-skilled	1	663	0.0%
TOTAL	18	100 214	0.7%

Staff Training and Development

Training and development remains a focal point in ensuring career development of the CBE's employees. All employees are given an opportunity to develop themselves professionally through the Education Assistance Programme. During the year under review, four employees received educational funding and two employees received funding for short-term courses within the areas of business-process management and web designing. Professional membership subscriptions were also paid for employees.

In addressing some of the responses drawn from the climate survey held during the previous year, training and team development courses were identified to address evident staff development-related concerns. A team development session was also held in this regard.

Table 13: Training costs

Division	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel Cost	No of employees trained	Average training cost per employee
All staff	14 324 095	217 776	1.5%	26	8 376
CEO's office	869 744	15 330	0.11%	2	7 665
Operations	752 924	16 285	0.11%	2	8 142
Corporate Services	583 433	18 910	0.13%	3	6 303





**CBE SUMMARY OF THE
SIX PROFESSIONAL
COUNCILS' ACTIVITIES**

CBE SUMMARY ON THE SIX PROFESSIONAL COUNCILS' ACTIVITIES

OVERVIEW

Section 4(v) of the CBE Act of 2000 requires the CBE to receive and assimilate the annual reports of the Built Environment Professional Councils (BEPCs) and submit to the Minister of Public Works. Section 19 requires the Minister to table the CBE's Annual Report together with the summary of the activities of BEPCs to Parliament. This section of the Annual Report is intended to comply directly with these two legislative provisions. It further provides a summary of activities of BEPCs over the 2012/13 financial year as they seek to implement the mandate delegated to them by the State and as they work towards contributing to government's development objectives as stated in the National Development Plan (NDP) and other government strategic policy documents such as the Medium Term Strategic Framework document, Industrial Policy Action Plan (IPAP), etc. The BEPCs and CBE have the following 13 concurrent functions which have been summarised into the following four key thematic areas:

Table 14: CBE Thematic areas

THEMATIC AREA	Governance of BEPCs	Public Protection	Sustainable and integrated development	Human Resource Development
CBE MANDATE	Promote sound governance of the BE Serve as a forum where BEPs discuss relevant issues Ensure uniform application of norms and standards set by the BEPCs	Promote and protect the interests of the public in the BE Promote appropriate standards of health and safety and environmental protection in the BE	Promote and maintain a sustainable BE professions and natural environment Facilitate participation of the BEPs in integrated development	Promote ongoing HRD in the BE Promote liaison in the field of training in South Africa and elsewhere

THEMATIC AREA	Governance of BEPCs	Public Protection	Sustainable and integrated development	Human Resource Development
ENABLING POLICY	<ol style="list-style-type: none"> 1. Codes of Conduct and Practice for the professions 2. Recognition of voluntary associations (VAs) 	<ol style="list-style-type: none"> 3. Appeal body and procedures 4. IDoW – in line with the Competition Act, 1998 (Act 89 of 1998) 	<ol style="list-style-type: none"> 5. Determination of professional fees in line with the Competition Act of 1998 6. Recognition of new professions 	<ol style="list-style-type: none"> 7. International recognition of professions 8. Accreditation of education institution's programmes 9. Registration of different categories of registered persons 10. Competency standards for registration 11. Establish SGBs in line with South African Qualifications Authority to align qualifications to the National Qualifications Framework 12. Recognition of Prior Learning (RPL) 13. Continuing Professional Development (CPD)

Source: CBE Act of 2000.

GOVERNANCE OF BEPCs

This thematic area reports on the implementation of the Code of Conduct and Practice and the recognition of VAs policy frameworks by the BEPCs. Under these policy frameworks, the key concern is that both policy frameworks should be underlined by common principles that will inform the development and application of uniform norms and standards by professional councils (PCs). Regarding the Code of Conduct and Practice of BEPs, the CBE's policy framework on SGs which was completed in the 2012/13 financial year and it seeks to ensure that BEPs have the highest level of technical competence for domain-specific knowledge. This framework, puts emphasis on knowledge base in areas of sustainable design and construction and labour-based construction design to maximise labour intensity is expanded and made a core of their curriculum. Furthermore, it is designed to ensure sustainable environmental outcomes as well as support labour absorption by government's infrastructure drive.

In strengthening the technical competence of BEPs and their knowledge base in areas of sustainable design and construction and labour based construction design, the role of Voluntary Associations (VAs) becomes paramount. VAs serve as generator, repository and disseminator of this technical knowledge, competence and their nurturance is therefore important in attaining the objective of ensuring that BEPs support the growth and development objectives of government as articulated in the New Growth Path, National Development Plan (NDP) and Industrial Policy Action Plan (IPAP2).

Recognition of Voluntary Associations (VAs)

Voluntary Associations (VAs) are member-based groupings that serve two primary roles: to protect and enhance its members' interests and secondly, as a repository of profession-specific technical knowledge and its dissemination through Continuing Professional Development (CPD) courses and activities. It is therefore important that as many VAs are recognised by the BEPCs in order to maximise the depth and scope of professional best-practice knowledge generation and dissemination that is contextually relevant and responsive in order to meet the developmental challenges of the country.

Table 15: Number of VAs recognised in 2012/13

	Total number of recognised VAs				Total number of recognised VAs
	2009	2010	2011	2012	
SACPVP	3	4	4	3	3
SACQSP	0	1	0	1	1
ECSA	39	42	42	44	44
SACAP	11	11	11	12	12
SACPCMP	10	11	10	10	10
SACLAP	0	1	1	1	1
TOTAL	63	70	68	71	71

Source: BEPCs' fourth quarter reports, 2012/13.

Code of Conduct of BEPs

A measurable outcome of whether BEPs possess the requisite technical competence and undertake their professional duties in a professional and ethical manner is the number of disciplinary cases that are lodged against a professional with the BEPCs. In this regard, section 30(1) of the Professional Councils Acts of 2000 mandates them to appoint a disciplinary tribunal to hear any charge of improper conduct and institute disciplinary proceedings regarding any complaint, charge or allegation of unprofessional conduct against any person registered with the Council. The following section analyses the number of disciplinary cases against professionals.

Disciplinary cases

The table below shows a declining trend in the number of disciplinary cases lodged with BEPCs between 2008 and 2012. The table also shows that this large decline in the number of cases was experienced between 2008 and 2009 and between 2011 and 2012, which respectively fell by 39% and 30% as highlighted in the table below.

Table 16: Number and trend of new disciplinary cases per BEPC

	2008	2009	2010	2011	2012	Decline in the number of infringements between 2008 and 2012	Average number of infringements	
SACPVP	23	14	19	14	5	-360%	15	9%
SACQSP	19	11	19	19	14	-36%	16	9%
ECSA	79	13	57	51	35	-126%	47	27%
SACAP	136	120	62	86	61	-123%	93	53%
SACPCMP	0	0	10	2	5	100%	3	1,8%
SACLAP	0	0	4	0	0	0%	1	0,2%
TOTAL	257	158	171	172	120	-114%	176	
% change	0	-39%	8,2%	0,6%	-30%			

Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12.

The first column of the grey-shaded area shows that total infringements fell by 114% between 2008 and 2012, from 257 to 120. The highest decline in infringements was from the SACPVP where they declined by 360% from 23 to five infringements followed by ECSA and SACAP which decline by 126% and 123% respectively. The SACQSP shows a stubbornly high number of infringements which only decline by 36% from 19 infringements in 2008 to 14 infringements in 2012. In similar case, the SACPCMP is the only profession that has bucked the falling trend in infringements and shows that from a high of 10 infringements in 2010, they declined in 2011 and rose again in 2012.

It is important to ascertain the reasons and drivers of the falling trend in infringements in order to scale them up in anticipation of the looming enforcement of IDoW regulations, which will make it compulsory for practising professionals to register in the BE.

PUBLIC PROTECTION

Appeal body and procedures

IDoW* Project

During the year under review, the CBE completed and submitted to the Competition Commission applications for exemption from the prescripts of the Competition Act of 1998, the IDoW policies of the following five BEPs; SACAP, SACLAP, SACPCPM, SACQSP and SACPVP. The ECSA's IDoW policy has not been finalised due to the diversity of the engineering field. However, sufficient progress has been made towards its completion, which will be finalised during the 2013/14 financial year. The completion of the IDoW process will herald a new era for the South African BE. However, the granting of exemption by the Competition Commission is the first milestone; the enforcement of the policy is one of the greatest challenges that will face the BEPs' system of regulation.

SUSTAINABLE AND INTEGRATED DEVELOPMENT

Determination of professional fees

Professional fees charged by BEPs to clients are regulated at two levels in the South African BE; at the macro level by the CBE, and at a micro-professional practice level by the BEPCs. At the macro level, the CBE seeks to ensure that the professional fees charged are affordable to clients. This is done through a policy framework on guideline professional fees, which encourages transparency and openness in the determination of professional fees. Secondly, the CBE needs to ensure that the professional fees do not distort the market for professional services, thus resulting in anti-competitive outcomes that are counter to the prescripts of the Competition Act of 1998. The CBE is required by its Act to ensure the professional fees charged by the BEPs are in line with the competition laws of the country.

Regarding the competitive pricing of professional services to ensure access to BEPs services by the public, the CBE developed the Policy Framework for the Determination and Review of Guideline Professional Fees for BEPs. The policy framework sets out three broad principles upon which guideline professional fees should be based and the following two types of guideline professional fee methods:

- The value based fee structure
- Time based fees.

BEPCs continue to publish their guideline fees as stipulated by their Acts. However, during the year under review, the Competition Commission raised concerns regarding the publication of the guideline of fees and standardisation of fees. The Competition Commission advised that the practice of publishing professional fees

* IDoW identifies the scope of work of each registration category of the built environment professions

has a potential of encouraging horizontal price collusion in terms of Section 4 of the Competition Act of 1998 and therefore can be deemed as anti-competitive.

The CBE together with the BEPCs, is working with the Competition Commission to apply for exemption of its rules in terms of Schedule 1 of the Competition Act of 1998.

Recognition of new professions

The CBE developed a policy framework on the recognition of new professions in the 2012/13 financial year. The policy position paper has uncovered the following three areas which are addressed by the policy framework:

1. Processes to recognise established BEPs that fall outside the current legislative mandate of the CBE, such as town and regional planners, land surveyors, etc. The objective is to ensure policy coordination and integration of BEPs under one regulatory framework.
2. Processes to recognise and “professionalise” new knowledge areas as either independent professions or new knowledge areas that will augment the existing knowledge base of the BEPs. This will assist in addressing the unique developmental challenges of South Africa and the global South.
3. Processes to recognise new categories of registration or newly established niche professional categories within the current six BEPs that are regulated by the CBE.

HUMAN RESOURCE DEVELOPMENT

Competency standards for registration

In the 2010/11 financial year, the CBE developed a policy framework for competency standards of graduates and professionals. The policy framework complements the SGB policy framework completed during the 2012/13 financial year, together with the CPD and Accreditation policies which form the core HRD policy instruments that the CBE will use to ensure the sustainable growth of the BEPs. Furthermore, the CBE begun implementation of the Skills Pipeline proposal which proposes interventions throughout the skills pipeline from the basic education to the higher education, candidature and professional phases. This aims to unlock barriers, and provide incentives for a well-functioning skills pipeline that will adequately resource the BE with appropriate quantitative and qualitative skills.

International recognition

The CBE is required to promote the international recognition and currency of BE qualifications in order to benchmark South African BE qualifications to world-class standards and thus ensuring that the country maintains cutting-edge global knowledge and practice to assist in its development. Table 17 outlines international agreements on education and accords that the BEPCs have entered into in order that the BE qualifications of South Africa are of an internationally equivalent status with similar countries that have also entered into these agreements and accords.

Table 17: International agreements with organisations that govern BE qualifications

ECSA	SACPCMP	SACAP	SACQSP	SACPVP	SACLAP
Washington Accord	MOU with the Chartered Institute of Builders	Commonwealth Association of Architects	Royal Institute of Chartered Surveyors	Member International Valuation Standards Council	Opened negotiations with International Federation for Landscape Architects (IFLA)
Sydney Accord	Opened negotiations with the AIB			Member of African Real Estate Society	
Dublin Accord					
Engineers Mobility Forum					
Engineering Technologists Mobility Forum					
Mutual Exemption Agreement with the Institution of Civil Engineers (ICE) (UK)					
Mutual Exemption Agreement with Engineers Ireland					

Source: BEPCs quarterly reports, 2012/13.

The table above shows that SACLAP is the only BEPCs that has not entered into an international educational agreement or accord. It is however noted that they entered into negotiations with the IFLA in order to ensure that the landscape architectural qualifications in South Africa are internationally recognised.

ACCREDITATION

The number of unaccredited programmes continued to decline in 2012, albeit at the slow rate compared to the previous year.

Table 18: Number of non-accredited BE programmes

2009	2010	2011	2012
23	10	9	7

Source: BEPCs fourth Reports, 2012/13.

As was established in 2011, the unaccredited programmes are mainly found at universities of technology. The CBE will be finalising a policy framework on accreditation in the 2013/14 financial year, and one of its principles is to entrench developmental ethos in the accreditation process. This is meant to address the issue of non-accreditation of BE programmes by providing the necessary support to institutions that are struggling to achieve accreditation. The following table shows those programmes that are currently unaccredited:





Table 19: Non-accredited BE programmes

INSTITUTION	ECSA	SACQSP	SACPCMP	SACLAP
UNISA		N/A	N/A	ND in Landscape Technology
Cape Peninsula University of Technology	BTech: Engineering Civil (Structures) withdrawn as of 31 December 2012		N/A	N/A
Central University of Technology		BTech in Quantity Surveying	National Diploma (ND) in Building	N/A
Durban University of Technology		N/A	N/A	ND in Landscape Technology
Tshwane University of Technology			N/A	ND in Landscape Technology BTech in Landscape Technology

Source: BEPCs fourth reports, 2012/13.

Table 20: List of institutions with BE programmes and their accreditation status

The programmes have been colour-coded to denote the following accreditation status:

	Full Accreditation
	Not Accredited
	Partial Accreditation
	Accreditation status not determined as information was not provided.

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of Cape Town	<p>Bachelor of Quantity Surveying</p> <p>Bachelor of Science (BSc) (Hons) in Quantity Surveying</p>	<p>BSc in Property Studies</p> <p>BSc (Hons) in Property Studies</p> <p>MSc in Property Studies</p> <p>Postgraduate Diploma in Property Studies</p>	<ul style="list-style-type: none"> BSc (Hons) in Construction Management BSc in Construction Studies 	Master of Landscape Architecture (MLArch)	<p>Bachelor of Architectural Studies (BAS)</p> <p>BAS (Hons)</p> <p>Master of Architecture</p> <p>PhD in Architecture</p>	<p>Bachelor of Engineering in</p> <ul style="list-style-type: none"> Civil Chemical Electrical Mechanical Electrical and Electronic Material Electro-mechanical Mechatronic Electrical and Computer
University of the Free State	<p>Bachelor of Quantity Surveying</p> <p>Bsc (Hons) in Quantity Surveying</p>	<p>Master of Land and Property Development (MPROP Property Valuation)</p>	<ul style="list-style-type: none"> BSc in Construction Management BSc in Construction Management Masters of Land and Property Management Quantity Surveying, Construction and Project Management (QCP) Certificate 	N/A	<p>Bachelor of Architectural Studies</p> <p>BAS (1st 3 yrs)</p> <p>BAS (Hons)</p> <p>Master of Architecture</p> <p>Master of Architectural Profession</p> <p>Master of Architecture Research</p> <p>PhD Architecture</p> <p>Doctor of Architecture</p>	N/A

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of KwaZulu-Natal	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying	N/A	N/A	N/A	BAS Master of Architecture PhD in Architecture (All until 2012)	BSc (Eng) – Electrical – Agricultural – Chemical – Electronic – Civil – Mechanical – Computer Engineering
University of Pretoria	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying	MSc in Real Estate Property Valuation	<ul style="list-style-type: none"> • BSc (Hons) in Construction Management • BSc in Construction Studies • MSc in Project Management 	BSc Landscape Architecture BL (Hons) ML (Prof)	BSc in Architecture M.Arch Prof BSc (Hons) in Architecture	Bachelor of Engineering in – Industrial and Systems – Chemical – Electrical, Electronic and Computer – Mechanical and Aeronautical – Material Science and Metallurgical – Mining – Civil

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of the Witwatersrand	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying	BSc (4 years) in Property Studies (conditional accreditation)	<ul style="list-style-type: none"> • BSc (Hons) in Construction Management • BSc in Construction Studies 	N/A	BAS BAS (Hons) M. Arch (Prof) M.Arch (Research) (All until 2012)	Bachelor of Engineering in <ul style="list-style-type: none"> - Chemical and Metallurgical - Civil and Environmental - Electrical and Information - Mechanical, Industrial and Aeronautical - Mining

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Nelson Mandela Metropolitan University	<p>Bachelor of Quantity Surveying</p> <p>BSc (Hons) in Quantity Surveying</p> <p>BTech in Quantity Surveying and ND in Building</p>	<p>MSc in BE Facilities Management</p> <p>MSc in BE Property Economics and Valuation</p>	<ul style="list-style-type: none"> BSc (Hons) in Construction Management BSc in Construction Studies BTech in Construction Management ND in Building Magister Scientiae in BE, Construction Management Specialisation Magister Scientiae in BE, Construction Health and Safety Management Specialisation Magister Scientiae in BE, Project Management Specialisation 	N/A	<p>M.Arch (Professional)</p> <p>M.Arch (Research)</p> <p>D.Arch</p> <p>ND</p> <p>Architectural Technology</p> <p>BTech</p> <p>Architectural Technology</p> <p>BAS</p> <p>MTech (Architectural Technology)</p>	<p>ND and BTech Engineering</p> <p>Civil</p> <p>Electrical</p> <p>Industrial</p> <p>Operations Management</p> <p>Quality</p> <p>Mechanical</p> <p>B.Eng</p> <p>Mechatronics</p>

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of Johannesburg	BTech in Quantity Surveying ND in Building	ND in Real Estate Property Valuation	<ul style="list-style-type: none"> • BTech in Construction Management • ND in Building 	N/A		BTech in Engineering - -Extraction Metallurgy - Computer Systems - Mining - Chemical - Civil - Electrical - Industrial - Mechanical - Metallurgy - Mineral Resource Management Bachelor of Engineering - Civil - Mechanical - Electrical and Electronic with Informational Technology - Electrical and Electronic - Mechanical - Mechanical (Information Technology)

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Walter Sisulu University of Technology <u>College Street Campus</u>	ND in Building	N/A	<ul style="list-style-type: none"> ND in Building 	N/A	N/A	BTech and ND in Engineering <ul style="list-style-type: none"> Civil Mechanical Electrical, Electronic and Computer Chemical BTech Engineering: Electrical
Stellenbosch University	N/A	N/A	N/A	N/A	N/A	B.Eng <ul style="list-style-type: none"> Chemical Civil Electrical and Electronic Electrical and Electronic with Computer Science Industrial Mechatronic Mechanical
North West University (Pretoriusfontein)	N/A	N/A	N/A	N/A	N/A	B.Eng <ul style="list-style-type: none"> Chemical Electrical and Electronic with Computer Engineering Mechanical Nuclear Science and Engineering

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
UNISA		ND in Real Estate Property Valuation (programme discontinued in 2011)	N/A	ND in Landscape Technology		BTech and ND in Engineering – Civil (environmental) – Chemical – Electrical – Industrial – Information Technology – Mechanical – Mining
Cape Peninsula University of Technology	Bachelor of Technology in Quantity Surveying ND Building	ND in Real Estate (Property Valuation)	<ul style="list-style-type: none"> BTech in Construction Management ND in Building 	ND and BTech in Landscape Technology	BTech (Bachelor of Architectural Technology) ND in Architecture MTech (Thesis based)	BTech and ND in Engineering – Civil – Chemical – Computer Systems – Industrial – Electrical – Mechanical

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Central University of Technology		N/A	N/A	N/A		BTech and ND in Engineering – Chemical – Civil – Electrical – Industrial – Mechanical – Mechatronics – Operations Management – Quality
Durban University of Technology	N/A	N/A	<ul style="list-style-type: none"> • ND in Building • BTech in Construction Management 	ND in Landscape Technology (Programme is terminated in 2011)	ND in Architecture BTech Higher Diploma in Architectural Technology (All until 2012)	ND in Engineering – Computer Systems – Electronic – Chemical – Civil – Electrical – Mechanical
Mangosuthu University of Technology	ND in Building ND in Surveying	N/A	<ul style="list-style-type: none"> • ND in Building 	N/A	N/A	BTech and ND in Engineering – Civil – Electrical – Mechanical – Chemical

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Tshwane University of Technology	Bachelor of Technology in Quantity Surveying	Building Science	<ul style="list-style-type: none"> • ND in Building Construction Management • BTech in Construction Management 	ND in Landscape Technology BTech in Landscape Technology	Architectural Technology Part 1 MTech in Architecture (Part 2) BTech (All until 2012)	BTech and ND in Engineering <ul style="list-style-type: none"> - Chemical and Metallurgical - Civil - Electrical - Industrial - Mechanical - Mechatronics - Operations Management - Quality
Vaal University of Technology						BTech and ND in Engineering <ul style="list-style-type: none"> - Chemical - Electrical - Civil - Industrial - Mechanical - Computer Systems - Metallurgical
Centurion Academy						ND in Engineering: Electronic
Inscope				Architectural Draughting		

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

The purpose of the CPD is to ensure that professionals' knowledge and competencies are continuously developed, reflecting changes in knowledge, practice and technology in their respective fields. The following table shows that there has been a consistently high uptake of CPD since 2010, which has however shown a marginal decrease for ECSA and SACQSP, and a significant decrease for SACAP. With the pending implementation of the IDoW policy which will require compulsory registration, the issue of CPD to maintain registration will gradually begin to play an important role.

Table 21: ECSA, SACAP, SACLAP, SACPVP, SACPCMP and SACQSP CPD percentage

	2008	2009	2010	2011	2012
ECSA	70%	70%	70%	70%	67%
SACPCMP	Policy under development	Policy under development	Policy gazetted for comment to be implemented in the 2011/12 financial year	Policy gazetted for comment by 1 April 2012	From 1 April 2012, it became mandatory for all registered professionals to undertake CPD. As a result of the policy, registration is now valid for five years.
SACLAP	Policy reviewed	Policy reviewed	95%	95%	95%
SACQSP	2,2%	95%	97%	97%	90.1%
SACPVP	33%	5%	60%	60%	80%
SACAP	57%	76%	60%	95%	33%

RECOGNITION OF PRIOR LEARNING (RPL)

RPL remains an important tool to improve access to individuals who were previously denied access to the professions. It is not satisfactory that RPL continues to receive scant regard from the BEPCs as reflected on table 22 which shows poor RPL uptake by potential candidates. Interviews with stakeholders have identified the cumbersome and expensive process for RPL which might act as a deterrent to potential candidates. The RPL policy of the CBE, which will be completed in the 2013/14 financial year, will be a start of a process to ensure that RPL becomes one of the mainstream points of entry into the BEPs.

Table 22: Number of successful RPL cases

BEPC	2008	2009	2010	2011	2012
SACPVP	0	0	0	0	0
SACQSP	35	0	23	3	5
ECSA	0	0	0	0	0
SACAP	16	6	1	0	0
SACPCMP	14	0	3	5	4
SACLAP	0	0	0	0	0
TOTAL	65	6	27	8	9

Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.

PROFESSIONAL REGISTRATION

BEPs are required by the respective Acts of their governing BEPCs to register in order to practise in their respective domains of expertise. This is an acceptable global requirement for BEPs and has a number of reasons, the main one being to ensure that only suitably qualified individuals who have the necessary technical expertise and professional ethical orientation practise in their respective fields in order to protect the health and safety of the public.

BEPs' services are used in the manufacture of built capital or infrastructure within the construction industry, making their services a derived demand determined by the level of economic activity and the demand of infrastructure to maintain an established level of economic activity. Lockwood (2010)¹ states that infrastructure is simply a factor input that is supplied to more than one industry. The demand for infrastructure is therefore derived from the demand for the output of the industries that the infrastructure serves.

This implies that as the gross domestic product (GDP) of an economy increases, so too does its need for infrastructure. The supply of BEPs' services in an economy and their registration will be determined by the pace of economic activity and output (GDP) which in turn is determined by the macro-economic environment of the country (e.g. level of interest rate, inflation rate, balance of payments, business confidence etc). The rate of economic activity fluctuates resulting in business cycles that determine construction industry activity, and the demand and supply of BEPs services. The general economy and the construction industry will be inherently cyclical resulting in rising and falling registration numbers of BEPs. The construction industry in the economy is captured under the building and construction component of the Gross Fixed Capital Formation (GFCF), which comprises investment in the following sub-components; residential buildings, non-residential buildings, civil construction, machinery and equipment and transport equipment.

¹ Lockwood, K. 2010. *Infrastructure Expenditure Tracker*. SPAID. The Presidency and Business Trust.

Table 23

GFCF component		Asset type
Building and construction	Residential buildings	Private residential and social housing.
	Non-residential building	Commercial office space, retail premises, tourism and leisure accommodation, industrial and warehouse space, public sector buildings (schools, hospitals, clinics, prisons, office space, etc).
	Construction or civil works	Investment in economic infrastructure such as transport, water and sanitation, energy and mining.
Machinery and other equipment		Non-building and construction infrastructure, does not form part of the functional design domain of BEPs
Transport equipment		
Computers and related equipment		

The following table shows the historical rise of the general output or all the goods and services produced by the South African economy since the 1960s, and the level of building and construction or investment in infrastructure to support the growth in economic output. It shows building and construction investment fluctuates, which will influence the demand of BEPs services.

Table 24: General output of the South Africa economy and the level of building and construction investment

	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010	2011
GDP	506 042	778 725	1 005 908	1 138 540	1 552 810	1 842 052	1 905 736
Building and Construction	47 112	91 544	85 033	64852	128 961	138 209	134 288
Building and Construction as a % of GDP	9%	12%	8%	6%	8%	8%	7%

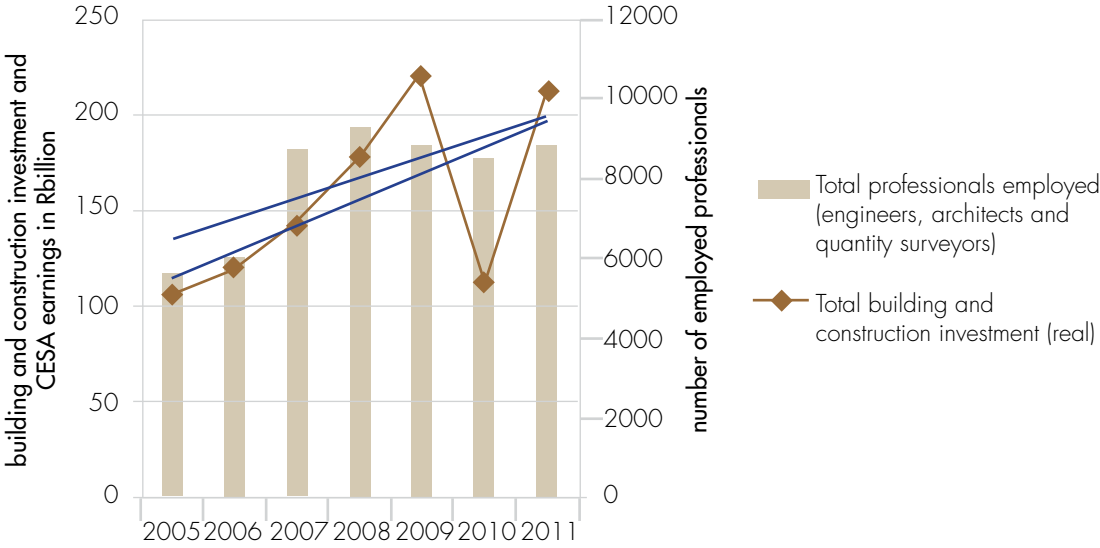
Source: South African Reserve Bank (SARB) online data series.

Perkins et al (2005)² state that South Africa's stock of economic infrastructure has developed in phases. The growth rates of individual measures of infrastructure fluctuated substantially over time, in some cases even turning negative, and the historical pattern of infrastructure development differed substantially between sectors. Research (Merrifield 1994, Lawless 2005) shows that construction companies deal with periods of low demand by laying off workers, retarding salary growth and offering early retirement.

² Perkins. P, Fedderke. J and Luiz. J. 2005. An analysis of economic infrastructure investment in South Africa. South African Journal of Economics, Vol 73:2. Economic Society of South African.

Employment in the BEPs is closely reliant on the construction industry's fluctuations, and as the industry suffers from cyclical periods of boom and bust, employee numbers are similarly volatile³. This historical relationship is shown by the following table and graph for the period between 2005 and 2011. It shows rising numbers of BEPs employed following the rise in building and construction investment, and a similar fall in numbers employed when building and construction investment falls, as was experienced since the 2008 global financial crisis.

Graph 1: The relationship between building and construction investment and the number of BEPs employed

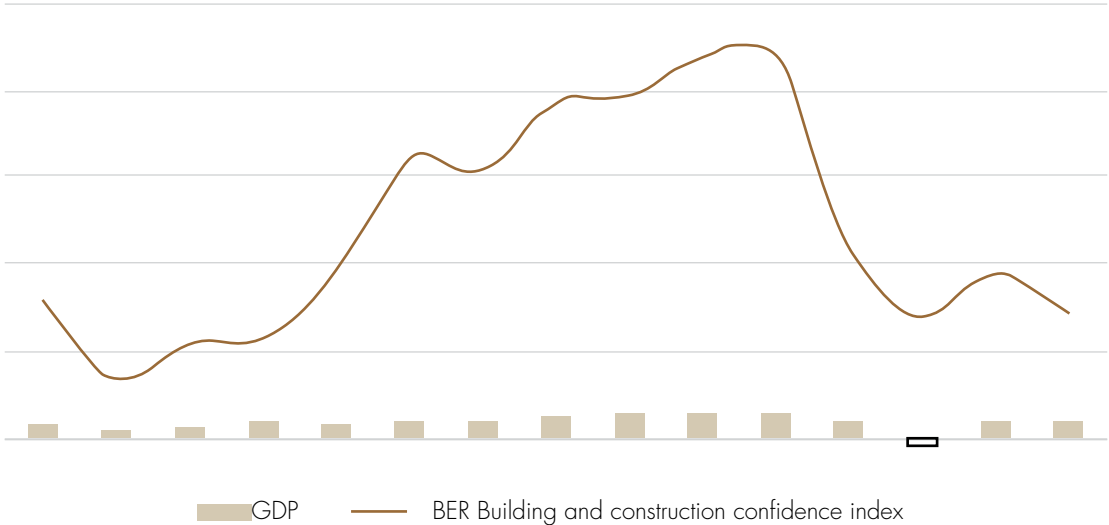


Source: Consulting Engineers South Africa (CESA) and SARB.

³ Merrifield A (1994) *The Performance and Capacity of the Construction Industry in the early 1990s*, Paper prepared for the National Housing Forum.

The following graph shows that the level of general output in the economy (GDP) and therefore the level of building and construction investment will affect the business confidence of the construction industry and their level of employment of BEPs.

Graph 2: The relationship between GDP and construction industry confidence



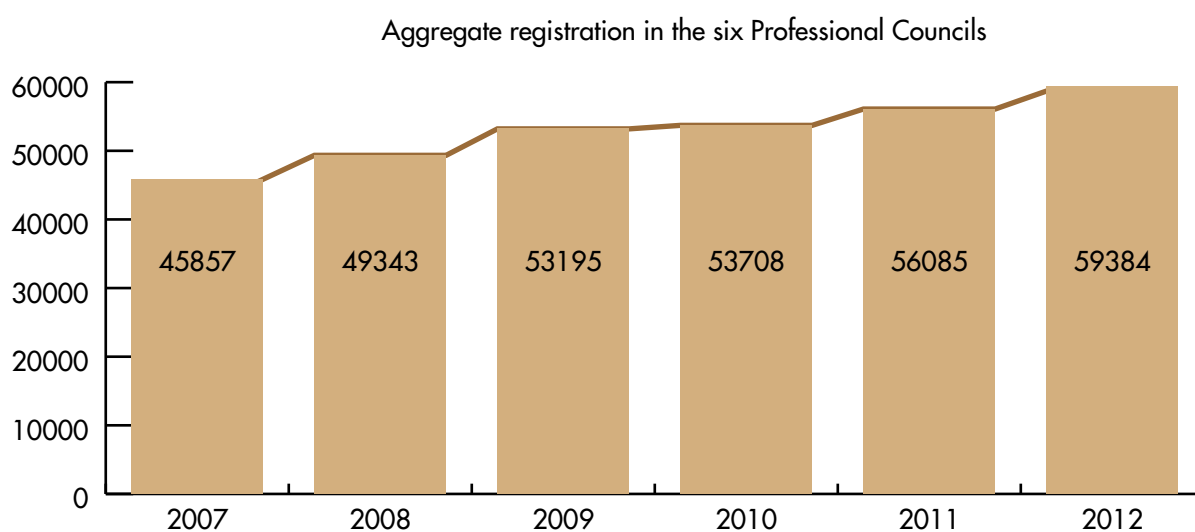
Source: BER and SARB.

The above discussion has shown that the number of BEPs practising and by implication registered with BEPCs will fluctuate, reflecting the macro-economic conditions of the country.

Aggregate professional and candidate registration

The following graph shows the total registration complement of the six BEPCs which indicates a strong upwards trend between 2007 and 2009, followed by a fall in registration between 2009 and 2010, and a strong growth in registration from 2011, which continued in 2012.

Graph 3: Aggregate registration in the six BEPCs between 2007-2013



Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.

Table 25: The number of CESA employed Built Environment Professionals and registered BEPs in the six BEPCs

	2005	2006	2007	2008	2009	2010	2011
Total professionals employed by CESA firms (engineers, architects and quantity surveyors)	n/a	7%	45%	6%	-5%	-4%	4%
Total registered professionals	n/a	n/a	n/a	8%	9%	0%	4%

The following tables show the number of registered professionals between 2007 and 2012.

Table 26: Aggregate registration in the six BEPCs: 2007-2012

Council	2007	2008	2009	2010	2011	2012
ECSA	26 789	28 221	33 245	34 664	38 495	41 094
SACPCMP	3 276	3 418	3 624	3 103	3 144	3 192
SACLAP	104	144	159	187	198	212
SACQSP	2 666	2 537	2 687	2 900	3 049	3 476
SACPVP	2 557	2 536	2 375	2 304	2 238	2 189
SACAP	10 465	12 487	11 663	10 517	8 951	9 202
TOTAL	45 857	49 343	53 753	53 675	56 075	59 365

Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.

Table 27: Change in aggregate registration in the six BEPCs: 2007-2012

BEPC	2008	2009	2010	2011	2012
ECSA	5%	18%	4%	11%	7%
SACPCMP	4%	6%	-14%	1%	2%
SACLAP	38%	10%	18%	6%	7%
SACQSP	-5%	6%	8%	5%	14%
SACPVP	-1%	-6%	-3%	-3%	-2%
SACAP	19%	-7%	-10%	-15%	3%
TOTAL	8%	9%	0%	4%	6%

The above tables highlight the following issues about registration within the six BEPs:

1. The Engineering and Quantity surveying profession seem to be shielded from the business cycle effect as their registration numbers continued growing, albeit at a slower rate. This is mainly due to the fact, especially in the case of the engineering profession, that their source of income is evenly split between the public and private sector which was a finding of the CBE's 2009 State of the BEPs Report as well as the information from the CESAs bi-annual capacity survey.
2. Architectural and Property Valuers professions derive the major source of their income from the private sector, which was also established from the CBE State of the BEPs report, which explains the declining registration numbers of the respective professionals. The SARB 2011 *Annual Economic Review* states that private sector building and construction investment fell by 8,9% in 2009 and 4,4% in 2010, which would translate into falling revenues for the architectural and Property Valuing professions. Falling registration numbers for the Property Valuing profession might be a further reflection of subdued building

investment which the SARB reports that in 2008 it was R50 billion, rising to R52 billion in 2009 and falling back to R50 billion in 2010 and R49 billion in 2011. It would also seem that the project and construction management profession is also affected by the business cycle as the number of registrations is static after falling in 2010 and might be a reflection of their exposure to the private sector.


Table 28 disaggregates registration numbers according to registration status. It highlights the following issues:

3. For the Engineering and Quantity Surveying professions, the positive growth in registration numbers has been underpinned by a healthy growth in candidate registration numbers.
4. For the Architectural and Property Valuers professions, falling candidate and professional registration numbers reinforce each other to lead to declining registration numbers.
5. The Project and Construction Management profession is seeing falling professional registration numbers, candidate registration numbers will require close monitoring as a discernible trend is hard to fathom given the 2010 anomaly.

Table 28: Annual change in aggregate Professional and Candidate registration in the six BEPCs: 2009-2012

Council		2009	2010	2011	2012	TOTAL
ECSA	TOTAL	5 024	1 419	3 831	2 599	12 873
	Professional	2 713	-268	1 221	1 179	4 845
	Candidate	2 311	1 687	2 610	1 420	8 028
SACPCMP	TOTAL	206	-521	41	48	-226
	Professional	48	-220	-51	-95	-318
	Candidate	158	-301	92	143	92
SACLAP	TOTAL	15	28	11	14	68
	Professional	5	12	11	13	41
	Candidate	10	16	0	1	27
SACQSP	TOTAL	0	213	149	427	789
	Professional	-69	53	2	153	139
	Candidate	69	160	147	274	650
SACPVP	TOTAL	-161	-71	-66	-49	-347
	Professional	54	52	29	20	155
	Candidate	-215	-123	-95	-69	-502
SACAP	TOTAL	-824	-1 146	-1 566	251	-3 285
	Professional	399	-1 119	-1 289	31	-1 978
	Candidate	-1 223	-27	-277	220	-1 307
	TOTAL	4 260	-78	2 400	3 290	100%

Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.



The above table generally shows that the BEPs that have realised an increase in registration levels which have been accompanied by growing candidature registration numbers and vice-versa for those that have seen decline in registration levels, reflecting the exposure of the profession to either the public or private sector as a source of income.

Aggregate Gender Representation

Gender transformation in the BE is proving to be very difficult, with the Architectural Landscape profession being the only BEP that is showing substantial gender transformation. The racial composition of the BEPs is changing and it is time that the same effort is expended towards gender transformation. BEPs still continue to be dominated by males but the figures are showing a marginally increasing trend, with female registration rising by 1% per year since 2009.

Table 29: Gender representation within the six BEPs

BEPC	Total registered 2009/10	Male	Female	Total registered 2010/11	Male	Female	Total registered 2011/12	Male	Female	Total registered 2012/13	Male	Female
ECSA	33246	30774	2472	34664	31682	2982	38495	34742	3753	41094	36731	4363
		93%	7%		91%	9%		90%	10%		89%	11%
SACPCMP	3624	3431	193	3103	2897	206	3144	2932	212	3192	2928	264
		95%	5%		93%	7%		93%	7%		92%	8%
SACLAP	167	138	29	187	95	92	198	101	97	212	104	108
		83%	17%		51%	49%		51%	49%		49%	51%
SACAP	11446	8825	2621	10517	8252	2265	8951	7035	1916	9202	7199	2003
		77%	23%		78%	22%		79%	21%		78%	22%
SACQSP	2679	2199	480	2900	2377	523	3049	2400	649	3476	2684	792
		82%	18%		82%	18%		79%	21%		77%	23%
SACPVP	2375	1914	461	2304	1848	456	2238	1768	470	2189	1607	582
		81%	19%		80%	20%		79%	21%		73%	27%
TOTAL	53537	47281	6256	53675	47281	6256	56075	48978	7097	59365	51253	8112
		88%	12%		88%	12%		87%	13%		86%	14%

Source: BEPCs quarterly reports, 2009/10, 2010/11, 2011/12, 2012/13.

Gender transformation in the BE is advancing at a slow pace and requires a gender mainstreaming strategy which can be achieved through the CBE skills pipeline proposal. It is a multi-faceted problem that requires interventions from the primary education phase and throughout the skills pipeline.

Candidate registration

Table 30: Growth in registered candidate numbers

BEPC	TOTAL REGISTERED CANDIDATES 2008	TOTAL REGISTERED CANDIDATES 2009	TOTAL REGISTERED CANDIDATES 2010	TOTAL REGISTERED CANDIDATES 2011	TOTAL REGISTERED CANDIDATES 2012	Cumulative growth in candidate registration	%
ECSA	6 753	9 064	10 751	13 361	14 781	54710	90.5%
SACAP	3 091	1 868	1 841	1 564	1 784	8364	13.8%
SACPCMP	910	1 068	767	767	1 002	3512	5.8%
SACQSP	872	941	1 101	1 248	1 522	4162	6.9%
SACPVP	1 300	1 085	962	962	798	4309	7.1%
SACLAP	30	40	56	56	57	182	0.3%
TOTAL	12 956	14 066	15 478	17 958	19 944	60458	100%
Annual change %	0%	9%	10%	16%	11%		

Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.

The above table shows an upward trend in candidate registration numbers which experienced a peak in 2011 when aggregate candidate registration grew by 16%.

Table 31: Annual growth in registered candidate numbers

BEPC	TOTAL REGISTERED CANDIDATES 2008	TOTAL REGISTERED CANDIDATES 2009	TOTAL REGISTERED CANDIDATES 2010	TOTAL REGISTERED CANDIDATES 2011	TOTAL REGISTERED CANDIDATES 2012
ECSA	n/a	34%	19%	24%	11%
SACAP	n/a	-40%	-1%	-15%	14%
SACPCMP	n/a	17%	-28%	0%	31%
SACQSP	n/a	8%	17%	13%	22%
SACPVP	n/a	-17%	-11%	0%	-17%
SACLAP	n/a	33%	40%	0%	2%
TOTAL	n/a	9%	10%	16%	11%

The above table shows the already established pattern where those professions that have shown a rise a registration levels have been accompanied by growing candidature registration numbers and vice-versa for those which have seen reduction registration levels, reflecting the exposure of the profession to either the public or private sector as a source of income. This pattern is also reflected in female candidate registration reflected in graph 4.

Graph 4: Female candidates

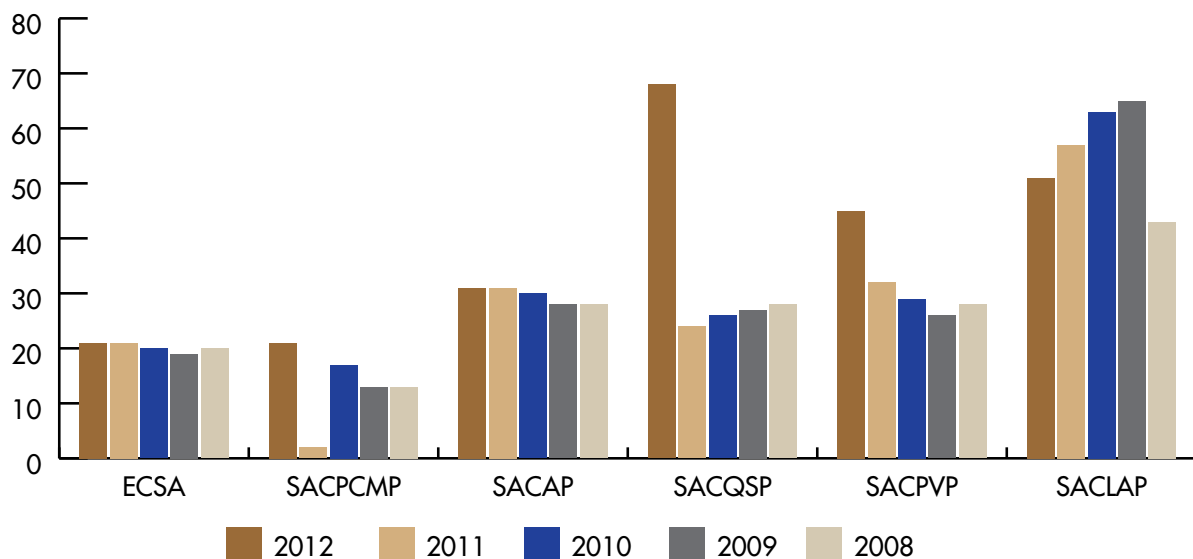


Table 32: Female candidates

	ECESA	SACPCMP	SACAP	SACQSP	SACPVP	SACLAP
2012	21%	21%	31%	68%	45%	51%
2011	21%	2%	31%	24%	32%	57%
2010	20%	17%	30%	26%	29%	63%
2009	19%	13%	28%	27%	26%	65%
2008	20%	13%	28%	28%	28%	43%

Source: BEPC quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.

Racial profile of candidates

Table 33: Racial profile of total candidates

	2008	2009	2010	2011	2012
PDI	6 680	5 928	8 951	11 061	12 658
WHITE	6 529	6 051	6 409	6 882	7 286
TOTAL	13 209	11 979	15 360	17 943	19 944

Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.

Table 34: Total racial composition of candidates

	2008	2009	2010	2011	2012
PDI	51%	49%	58%	62%	63%
WHITE	49%	51%	42%	38%	37%

Source: BEPC quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.

The total racial composition of candidates is changing and PDI candidates have grown from 51% of total candidates in 2008 to 63% of total candidates in 2012.

Table 35: Black candidate change in registration

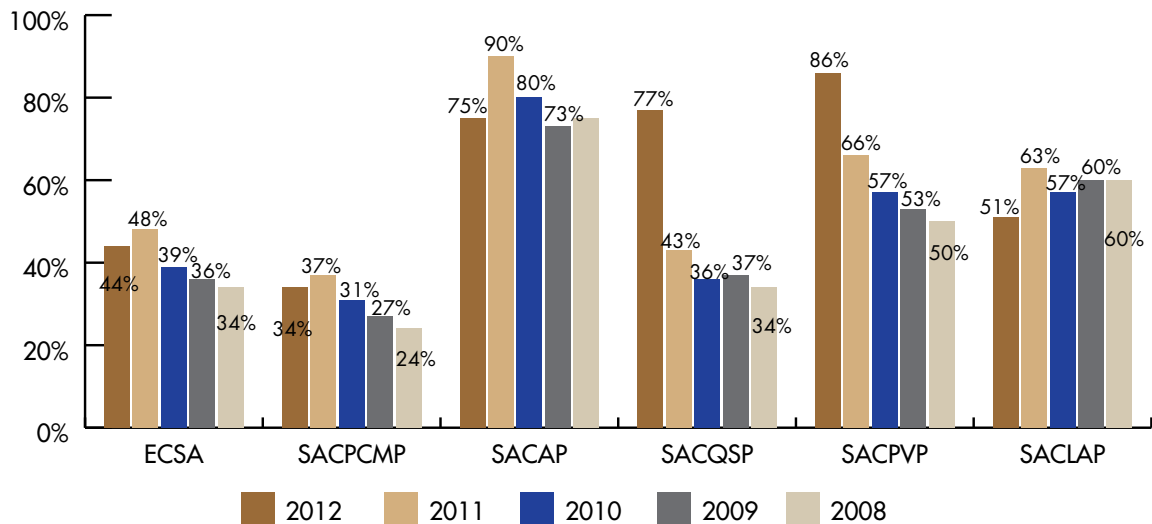
BEPC	2008	2009	2010	2011	2012	Additional PDI between 2008 and 2012
ECSA	4 264	4 018	6 554	8 600	9 766	5 502
SACPCMP	600	552	531	629	761	161
SACLAP	3	4	11	15	14	11
SACQSP	200	462	700	789	1 009	809
SACPVP	99	331	416	406	396	297
SACAP	1 514	563	739	622	712	-802
TOTAL	6 680	5 930	8 951	11 061	12 658	5 978
Annual % change	0%	-11%	51%	24%	14%	

Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.

The table above shows the performance of BEPCs to accelerate the entry of PDIs into the professions and shows that ECSA accounts for 99% of all PDI candidates in the BE. The Architectural profession has seen a decrease in PDI, which has also been experienced by the Property Valuers profession. The dwindling of PDI numbers might be a reflection of low Grade 12 Maths and Science throughput rates, but might also be a reflection of poor marketing of the professions by BEPCs.

White candidates

Graph 5: Racial composition of white candidates per BEPC



Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12.

The gradual decrease in the number of white candidates is expected as more PDI candidates enter the BEPs. However, as shown by the graph above, all professions are seeing a downward trend in white candidates except for the Architectural profession.

Table 36: White candidate change in registration

2008 WHITE	2009 WHITE	2010 WHITE	2011 WHITE	2012 WHITE
3 351	3 757	4 197	4 761	5 015
309	318	236	230	241
9	36	45	41	43
671	342	401	459	513
613	646	546	461	402
1 576	952	984	930	1072
6 529	6 051	6 409	6 882	7 286
0%	-7%	6%	7%	6%

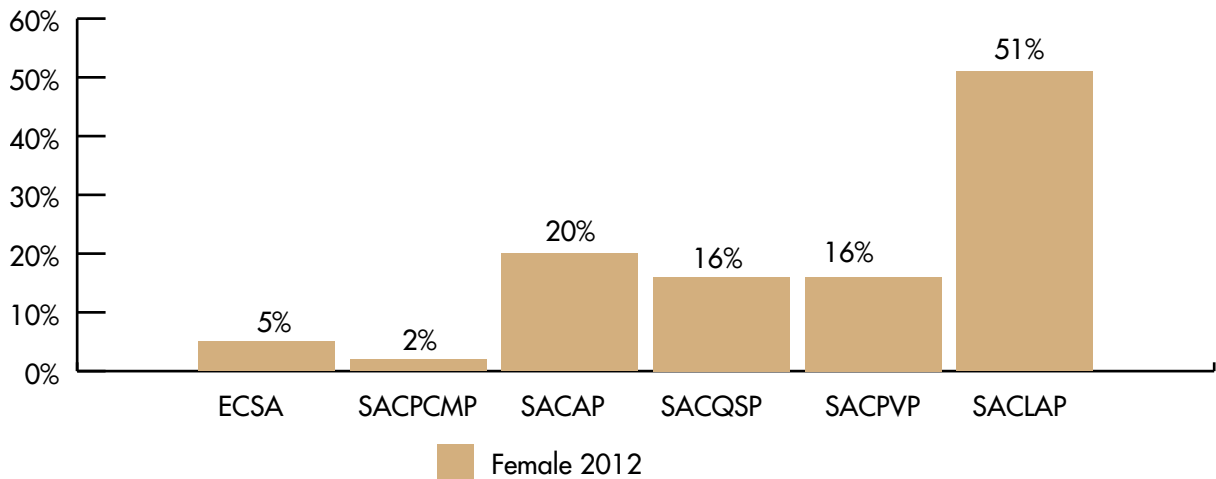
Source: BEPCs quarterly reports, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13.

Table 37: Total number of Professional White and PDI

	2012/2013 WHITE	2012/2013 PDI
ECSA	20574	5739
SACPCMP	1790	400
SACLAP	153	2
SACQSP	1454	500
SACPVP	1152	239
SACAP	5438	1980
	30561	8860

Source: BEPC's quarterly reports 2012/2013

Graph 6: Total number of registered Female Professionals



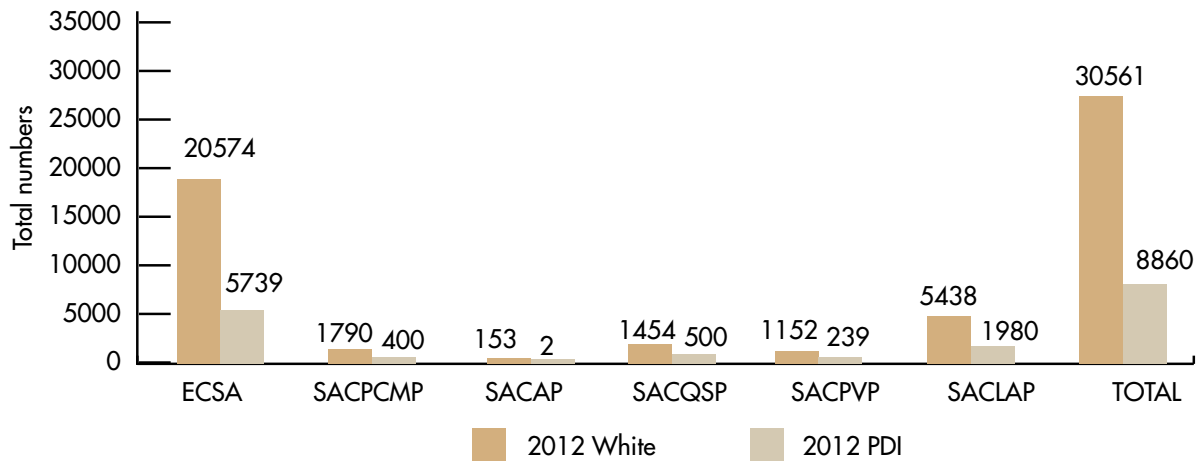
Source: BEPC's quarterly reports 2012/2013

Table 38: Female and Male Professionals

	ECSA	SACPCMP	SACAP	SACQSP	SACPVP	SACLAP
Female 2012	5%	2%	20%	16%	16%	51%
Male 2013	95%	80%	60%	84%	84%	49%

Source: PEPC's quarterly reports 2012/2013

Graph 7: Total number of white and PDI registered by PC as at 2013



Source: PEPC's quarterly reports 2012/2013

CONCLUSION

The analysis in this report shows that there has been a growth in total registered professionals and candidates in the BEPs, especially the growth of black candidate numbers. The analysis however uncovered disturbing trends in the Architectural, Project and Construction Management and Property Valuers professions, which have been characterised by falling total registration numbers, especially the registration of black candidates. An area of focus for the CBE in this regard, will be to check the graduation numbers in these professions and to look at how those problems that stem from low university throughput rates and those linked to inadequate Grade 12 Maths and Science performance, can be addressed.

A recurrent theme in this section has been the argument for adopting a skills pipeline strategy for the BEP in order to ensure an adequate supply of BEPs, given the centrality of infrastructure investment for the country's development in the next 20 years. The governance of the BEPCs has also come under the spotlight due to their governance weaknesses. The overall objective is to ensure that the BEPs have a conducive and enabling policy, and legislative framework to ensure their parochial growth and development, which reinforces the country's growth and development needs.

In the upcoming years, the CBE will focus on the demographic make-up of the registered professionals within the six BEPCs, in terms of race and gender, as the historical trends show that this is an area that shows the slowest and lowest transformation figures.



ANNUAL FINANCIAL STATEMENTS

COUNCIL FOR THE BUILT ENVIRONMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Index

The reports and statements set out below comprise the financial statements presented to the Parliament:

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Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Accounting Authority's Responsibilities and Approval

The CBE Council is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the CBE Council to ensure that the financial statements fairly present the state of affairs of the CBE as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP).

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The CBE Council acknowledge that they are ultimately responsible for the system of internal financial control established by the CBE and place considerable importance on maintaining a strong control environment. To enable the CBE Council to meet these responsibilities, the Accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the CBE and all employees are required to maintain the highest ethical standards in ensuring the CBE's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the CBE is on identifying, assessing, managing and monitoring all known forms of risk across the CBE. While operating risk cannot be fully eliminated, the CBE endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The CBE Council are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The CBE Council have reviewed the CBE's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, they are satisfied that the CBE has or has access to adequate resources to continue in operational existence for the foreseeable future.

The CBE is mainly dependent on the Government grant for continued funding of operations. The financial statements are prepared on the basis that the CBE is a going concern and that the CBE has neither the intention nor the need to liquidate or curtail materially the scale of the CBE.

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

The accounting authority are primarily responsible for the financial affairs of the CBE.

The external auditors are responsible for independently reviewing and reporting on the CBE's financial statements. The financial statements were examined by the CBE's external auditors and their report is presented on pages 80 to 83.

The financial statements set out on pages 85 to 123, which have been prepared on the going concern basis, were approved by the accounting authority on 25 July 2013 and were signed on its behalf by:



Portia Tau - Sekati (Chairperson)

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2013.

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of **section 51(1) (a)** of the **PFMA of 1999** and **Treasury Regulation 27.1**. We further report that we have conducted our affairs in compliance with this charter.

Name of members	Number of meeting attended
Mr D Coovadia (Chairperson)(External member)	7
Mr F Gustin (External member)	4
Ms T Sihlaba (External member)	1 (Resigned 06/04/2012)
Ms M Mothipe (External member)	2 (Appointed 08/02/2013)
Mr V Mdwara (CBE Council)	2
Ms Z Mvusi (CBE Council)	1

Meetings held requiring Audit (External Members) involvement:

Audit and Risk Committee	4
Audit and Risk Investigative Committee	1
Council Risk Workshop	2
Council	1

The Effectiveness of Internal Control

The system of internal control was not entirely effective for the year under review. Several deficiencies in the system of internal control, including deviations from it, were reported by the internal auditors and the Auditor-General South Africa. The audit committee however, based on the reports of internal and external auditors, is of the opinion that the internal control system continues to improve.

The following internal audit work was completed during the year under review:

- Performance Information
- Supply Chain Management

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Report of the Audit Committee

- Accounts Payable
- Pastel Payroll data analysis
- ITGCR including follow up on AG findings
- Follow up IT Contracts and IT Policies
- Human Resources Management
- Corporate Governance and Compliance to Legislation
- Research
- BCP and DRP Review

The following were areas of concern:

- Inability to adhere to and enforce policies and procedures;
- Inadequately developed control systems;
- Inadequately management / supervisory practices; and
- IT environment

In-Year Management and Monthly/Quarterly Report

We are satisfied with the content and quality of monthly and quarterly reports prepared and submitted by the CBE during the year under review to the Executive Authority.

Evaluation of Financial Statements

We have reviewed:

- and discussed the audited financial statements to be included in the Annual Report, with the AGSA and management.
- the AGSA's management report and management's response thereto.
- significant adjustments resulting from the audit.

We concur with and accept the AGSA's audit report on the annual financial statements and are of the opinion that the audited annual financial statements should be accepted and read together with the audit report of the AGSA.

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Report of the Audit Committee

Auditor's Report

We have reviewed the CBE's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.

Dawood Coovadia

Dawood Coovadia CA (SA)

Chairperson of the Audit Committee

Council for the Built Environment

25 July 2013

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Report of the Auditor-General to Parliament on the Council for the Built Environment

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Council for the Built Environment as set out on pages 85 to 123 which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Report of the Auditor-General to Parliament on the Council for the Built Environment

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council for the Built Environment as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 12 to 24 of the annual report.
9. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

10. There were no material findings on the annual performance information report concerning the usefulness and reliability of the information.

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Report of the Auditor-General to Parliament on the Council for the Built Environment

Additional matter

11. Although no material findings concerning the usefulness and reliability of the performance information was identified in the annual performance information report, I draw attention to the following matter below.

Achievement of planned targets

12. Of the total number of 38 targets planned for the year, 11 targets were not achieved during the year under review. This represents 29% of total planned targets that were not achieved during the year under review. For further details on the extent and reasons for deviations between planned targets and actual performance refer to pages 12 to 24 of the annual performance report.

Compliance with laws and regulations

13. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements, performance and annual report

14. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 55(1) (b) of the PFMA. Material misstatements of revenue and an identified disclosure item identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Budgets

15. The entity accumulated surpluses without the approval of National Treasury, in contravention of section 53(3) of the Public Finance Management Act.

Internal control

16. I considered internal control relevant to my audit of the financial statements, annual performance information report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Report of the Auditor-General to Parliament on the Council for the Built Environment

Leadership

17. Leadership did not exercise sufficient oversight responsibility to ensure compliance with laws and regulations.

Financial and performance management

18. Management has not established the required controls to ensure complete and accurate financial statements.

Auditor-General

Pretoria

26 July 2013



Council for the Built Environment

Financial Statements for the year ended 31 March 2013

General Information

Country of incorporation and domicile

South Africa

Nature of business and principal activities

Built Environment Regulator

Members

Portia Tau - Sekati (Chairperson)

Eugenia Kula Ameyaw

Frederick Brian Johnson

Menno Klapwijk

Molefi Kubuzie

Victor Vuyisile Mdwara Lucky

Welcome Molobela

Zanele Mvusi

Sindisiwe Ngxongo

Elma Inge Pieterse

Lula Paraksevy Scott

Hendrikus Van Der Hoven

Dinga Rammy Nkwashu

Phill Mashabane (Deputy Chairperson)

Godfrey Thamaga Chaane

Charles Israelite

Gamede Cyril Vuyani

Peters Adrian Michael

Registered office

121 Muckleneuk

Nieuw Muckleneuk

0027

Business address

121 Muckleneuk

Nieuw Muckleneuk

0027

Postal address

PO Box 915

Groenkloof

0027

Auditors

Auditor General

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Statement of Financial Position as at 31 March 2013

	Note(s)	2013 R '000	2012 R '000
Assets			
Current Assets			
Receivables from exchange transactions	5	128	125
Receivables from non-exchange transactions	6	71	43
Cash and cash equivalents	7	6,474	6,439
		6,673	6,607
Non-Current Assets			
Property, plant and equipment	3	1,537	1,207
Intangible assets	4	490	364
		2,027	1,571
Non-Current Assets		2,027	1,571
Current Assets		6,673	6,607
Non-current assets held for sale (and) (assets of disposal groups)	-	-	-
Total Assets		8,700	8,178
Liabilities			
Current Liabilities			
Defered operating lease liability		452	421
Payables from exchange transactions	8	2,685	4,267
Provisions	9	234	234
		3,371	4,922
Non-Current Liabilities		-	-
Current Liabilities		3,371	4,922
Liabilities of disposal groups	-	-	-
Total Liabilities		3,371	4,922
Assets		8,700	8,178
Liabilities		(3,371)	(4,922)
Net Assets		5,329	3,256
Net Assets			
Accumulated surplus		5,329	3,256

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Statement of Financial Performance

		2013	2012
	Note(s)	R '000	R '000
Revenue			
Other operating income		54	80
Revenue from non-exchange transaction	10	29,930	29,090
Revenue from Exchange transactions	11	268	298
Total revenue		30,252	29,468
Expenditure			
Personnel costs	12	(13,707)	(14,140)
Depreciation and amortisation	14	(331)	(284)
Administrative expenses	13	(9,408)	(7,452)
Operating expenses	15	(4,733)	(8,191)
Total expenditure		(28,179)	(30,067)
Surplus (deficit) before taxation		2,073	(599)
Taxation		-	-
Surplus (deficit) for the year		2,073	(599)
Attributable to:			
Owners of the controlling entity		2,073	(599)

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
	R '000	R '000
Balance at 01 April 2011	3,855	3,855
Changes in net assets		
Deficit for the year	(599)	(599)
Total changes	<u>(599)</u>	<u>(599)</u>
Balance at 01 April 2012	3,256	3,256
Changes in net assets		
Surplus for the year	2,073	2,073
Total changes	<u>2,073</u>	<u>2,073</u>
Balance at 31 March 2013	<u>5,329</u>	<u>5,329</u>

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Cash Flow Statement

	Note(s)	2013 R '000	2012 R '000
Cash flows from operating activities			
Receipts			
Grants		28,146	28,659
Interest income		268	298
Cash receipts from customers		1,839	1,720
		30,253	30,677
Payments			
Employee costs		(13,362)	(13,851)
Suppliers		(15,965)	(14,475)
		(29,327)	(28,326)
Total receipts		30,253	30,677
Total payments		(29,327)	(28,326)
Net cash flows from operating activities	17	926	2,351
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(596)	(624)
Purchase of other intangible assets	4	(295)	-
Net cash flows from investing activities		(891)	(624)
Net increase/(decrease) in cash and cash equivalents			
		35	1,727
Cash and cash equivalents at the beginning of the year		6,439	4,712
Cash and cash equivalents at the end of the year	7	6,474	6,439

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below. These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment, comprising of computer equipment and furniture and other equipment, is stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Property, plant and equipment is recognised when the following conditions are met:

- when the cost of the item can be measured reliably and
- when it is probable that future economic benefits or service potential associated with the item will flow to the CBE.

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will flow to the CBE and the costs can be reliably measured. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset using cost less residual value. Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Accounting Policies

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, is deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fittings	10 years
Office equipment	8 years
Computer equipment	6 years
Leased Office Equipment	Over the lease period

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the CBE; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Any contractual commitments for the acquisition of intangible assets at year end shall be disclosed in the notes to the annual financial statements stating the nature and amount relating to the committed amount

1.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Initial recognition

The CBE recognises a financial asset or a financial liability in its statement of financial position when the CBE becomes a party to the contractual provisions of the instrument.

The CBE recognises financial assets using trade date accounting.

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Derecognition

Financial assets

The CBE derecognises financial assets using trade date accounting. The CBE derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the CBE transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The CBE removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Council for the Built Environment

Financial Statements for the year ended 31 March 2013

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straightline basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.5 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash

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inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- a. the period of time over which an asset is expected to be used by the CBE; or
- b. the number of production or similar units expected to be obtained from the asset by the CBE.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The CBE assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the CBE estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

1.6 Employee benefits

Employee benefits are all forms of consideration given by the CBE in exchange for service rendered by employees. Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to

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Financial Statements for the year ended 31 March 2013

provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the CBE's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the CBE has indicated to other parties that it will accept certain responsibilities and as a result, the CBE has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the CBE recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The CBE measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the CBE has a present legal or constructive obligation to make such payments as a result of past events and a reliable

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estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the CBE pays fixed contributions into a separate Provident fund (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the CBE during a reporting period, the CBE recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the CBE recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to

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discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.7 Provisions and contingent liabilities

Provisions are recognised when:

- the CBE has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the CBE settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 22.

1.8 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the CBE provide assets or services, or has liabilities extinguished, and

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directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Investment Income is recognised on a time proportion basis using the effective interest method.

1.9 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the CBE, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the CBE can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the CBE either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

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Financial Statements for the year ended 31 March 2013

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

1.9 Revenue from non-exchange transactions (continued)

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity. When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.10 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.11 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.12 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

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Financial Statements for the year ended 31 March 2013

- a. this Act; or
- b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- c. any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/ expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.13 Judgements made by management

Intangible assets

Computer software

If the computer hardware can operate without the software then the software is recognised as intangible assets and not property plant and equipment.

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Financial Statements for the year ended 31 March 2013

Property plant and equipment

At reporting date all assets were reviewed for their useful life and the useful life for assets which were deemed to have reached the end of their depreciable life was reviewed as follows:

- Computer equipment over a three-year period
- Office equipment over a three-year period

Receivables

Receivables are assessed at each reporting period if they are impaired or doubtful.

Impairment Testing

All assets and liabilities are tested for impairment based on the available information at the time of testing and management's assessment of the assets and liability

Provisions

Provisions are raised and or adjusted based on the available information at the time of testing. Management base their estimates on the probability of the event happening, the available information and past experience

Allowance for doubtful debts

Where there is an indication that the debt may be irrecoverable management will raise a provision and each case will be evaluated independently.

1.14 Budget information

The CBE are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the CBE shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2012 to 18/05/2013.

The budget for the economic entity includes all the entities approved budgets under its control.

The financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the financial statements. Refer to note 16.



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1.15 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after
• GRAP 24: Presentation of Budget Information in the Financial Statements	01 April 2012
• GRAP 21: Impairment of non-cash-generating assets	01 April 2012
• GRAP 26: Impairment of cash-generating assets	01 April 2012
• GRAP 25: Employee benefits	01 April 2012
• GRAP 104: Financial Instruments	01 April 2012

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2013 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
• GRAP 106: Transfers of functions between entities not under common control	01 April 2014
• GRAP 20: Related parties	01 April 2013
• GRAP 1 (as revised 2012): Presentation of Financial Statements	01 April 2013
• GRAP 3 (as revised 2012): Accounting Policies, Change in Accounting Estimates and Errors	01 April 2013
• GRAP 9 (as revised 2012): Revenue from Exchange Transactions	01 April 2013
• GRAP 13 (as revised 2012): Leases	01 April 2013
• GRAP 17 (as revised 2012): Property, Plant and Equipment	01 April 2013
• GRAP 31 (as revised 2012): Intangible Assets (Replaces GRAP 102)	01 April 2013
• IGRAP16: Intangible assets website costs	01 April 2013
• IGRAP1 (as revised 2012): Applying the probability test on initial recognition of revenue	01 April 2013

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Notes to the Financial Statements

	2013	2012
Note(s)	R '000	R '000

3. Property, plant and equipment

	2013			2012		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1,154	(574)	580	1,034	(523)	511
Office equipment	858	(412)	446	670	(374)	296
Computer equipment	940	(429)	511	943	(543)	400
Leased office Equipment	-	-	-	29	(29)	-
Total	2,952	(1,415)	1,537	2,676	(1,469)	1,207

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Write offs	Depreciation	Total
Furniture and fixtures	511	142	(7)	(66)	580
Office equipment	296	230	(17)	(63)	446
Computer equipment	400	224	(32)	(81)	511
	1,207	596	(56)	(210)	1,537

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Transfers	Write offs	Depreciation	Total
Furniture and fixtures	266	335	-	(41)	(49)	511
Office equipment	442	20	(71)	(32)	(63)	296
Computer equipment	162	269	71	(50)	(52)	400
	870	624	-	(123)	(164)	1,207

Pledged as security

None of the CBE's Property plant and equipment has been pledged as security for any liability or contingent liability.

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Notes to the Financial Statements

	2013	2012
Note(s)	R '000	R '000

4. Intangible assets

	2013			2012		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	1,102	(612)	490	1,333	(969)	364

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Write offs	Amortisation	Total
Computer software	364	295	(49)	(120)	490

Reconciliation of intangible assets - 2012

	Opening balance	Write offs	Amortisation	Total
Computer software	528	(44)	(120)	364

None of the CBE's intangible assets has been pledged as security for any liability or contingent liability.

5. Receivables from exchange transactions

Trade and other receivables from exchange transactions	5	2
Rental Deposits	123	123
	128	125

6. Trade and other receivables from non-exchange transactions

Levies	71	43
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None of the trade and other receivables from non - exchange transactions has been pledged as security for any liability or contingent liability.

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	6	3
Bank balances (current account)	2,041	1,775
Call account (Investments)	4,427	4,661
	6,474	6,439

None of the cash balances has been pledged as security to any liability or contingent liability.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
F1 (ZAF) Fitch rating	4,427	4,661
F1 + Fitch Rating	2,041	1,775
	6,468	6,436

8. Payables from exchange transactions

Trade and other payables from exchange transactions	1,446	2,509
Leave payable	663	520
Accruals	576	1,238
	2,685	4,267

The CBE has not defaulted on any of its payables

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

	2013	2012
Note(s)	R '000	R '000

9. Provisions

Reconciliation of provisions - 2013

	Opening balance	Additions	Utilised during the year	Total
Provision for bonus payment	234	12	(12)	234

Reconciliation of provisions - 2012

	Opening balance	Additions	Utilised during the year	Total
Legal proceedings	180	84	(264)	-
Provision for bonus payment	218	234	(218)	234
	398	318	(482)	234

Provision for bonus payment

During the current year the CBE raised a provision for bonus payment in relation to performance bonus for the performance period April 2012 to March 2013. The provision was raised based on the basis of the budget amount provided for the performance period. The budget is prepared in line with CBE performance policy and 2% of the basic annual salary is considered to be adequate to cover the performance of the organisation

10. Revenue from non-exchange transactions

Government grant from Department of Public Works	28,146	27,433
Levies received	1,784	1,657
	29,930	29,090

11. Revenue from exchange transactions

Interest revenue

Interest received	268	298
	268	298

Council for the Built Environment
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Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
12. Personnel costs		
Basic	8,148	8,512
PAYE	2,924	3,186
Provident fund contributions	1,533	1,509
Medical aid contributions	567	526
UIF	85	81
Employee benefits provisions	143	232
Staff training	258	62
Staff welfare	49	32
	13,707	14,140

Remuneration of Chief Executive Officer (B Zulu)

Annual Remuneration	-	327
Contributions to UIF, Medical Aid, Pension Funds	-	23
	-	350

Included in the Personnel cost above is the Chief Executive Officer's remuneration as broken down under Remuneration of Chief Executive Officer for period April 2011 to June 2011.

Remuneration of Chief Financial Officer (M Sedite)

Annual Remuneration	890	816
Contributions to UIF, Medical Aid, Pension Funds	81	76
	971	892

Included in the Personnel cost above is the Chief Financial Officer's remuneration as broken down under remuneration of chief financial officer.

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Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
Remuneration of Chief Operations Officer (M Gwazube)		
Annual Remuneration	-	893
Performance Bonuses	-	25
Contributions to UIF, Medical Aid, Pension Funds	-	76
	-	994

Included in the Personnel cost above is the Chief Operations Officer's remuneration as broken down under remuneration of chief operations officer.

Mr Gwazube was seconded to the Department of Public Works for the period April 2012 to date.

Remuneration of Acting Chief Executive Officer (L Molobela)

Annual Remuneration	-	312
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Included in the Personnel cost above is the Chief Executive Officer's remuneration as broken down under Remuneration of chief executive officer for period July 2011 to September 2011

Remuneration of Acting Chief Executive Officer (M Ralephata)

Annual Remuneration	114	528
Contributions to UIF, Medical and Pension Funds	-	1
	114	529

Included in the Personnel cost above is the Chief Executive Officer's remuneration as broken down under remuneration of chief executive officer for period 01 April 2012 to 30 April 2013

Remuneration of Acting Chief Operations Officer (L Zepe)

Annual Remuneration	755	163
Contributions to UIF, Medical and Pension Funds	65	15
	820	178

Included in the Personnel cost above is the Chief Operations Officers remuneration as broken down under remuneration of chief operations officer for the period April 2012 to date.

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Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
Remuneration of Chief Executive Officer (G Mazibuko)		
Annual Remuneration	842	-
Contributions to UIF, Medical and Pension Funds	78	-
	920	-

Included in the Personnel cost above is the Chief Executive Officer's remuneration as broken down under Remuneration of chief executive officer for period May 2012 to date

13. Administrative expenses

Administrative expenses include the following

Auditors remuneration	1,006	729
Internal audit fees	856	534
Advertising	826	246
Lease rentals on operating lease	3,225	2,617
Telephone and fax	352	378
Computer expenses	1,218	1,236
Council expenses **	841	554
Training	49	4
Catering	62	63
Conferences and seminars	17	81
Building Cost and Consumables	617	567
Printing and stationery	127	274
Insurance	187	137
Bank charges	25	25
Entertainment	-	7
	9,408	7,452

Included in administrative fees above is the Council, Council sub committees and Audit committee members remuneration. Below is a breakdown of individual members:

* During the current financial year the following members resigned from the CBE Council and its committees: C Campbell former Council member resigned on 13 September 2012, T Majosi former Deputy Chairperson of Council resigned on 29 October 2012 and T Sihlaba former external Audit Committee member resigned on 06 April 2012.

** The following replacements of the resigned Council and its sub-committee members were made: C Gamede (Council member was appointed on 11 November 2012), A Peters (Council member was appointed 11 November 2012) and M Mothipe (external member of the Audit Committee was appointed 08 February 2013).

P Mashabane was appointed as Deputy Chairperson on the 11 November 2012.

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Notes to the Financial Statements

	Note(s)	2013 R '000	2012 R '000			
13. Administrative expenses (continued)						
Member	Council meetings	Other committee's meetings attended	Claim for attendance in R Thousands	S&T in R Thousands	Total claim in R Thousands 2012/2013	Total claim in R Thousands 2011/2012
P Tau - Sekati (Chairperson)	7	26	95	19	114	123
P Mashabane (Deputy Chairperson)	4	8	29	10	39	21
T Majozi (Former Deputy Chairperson) *	-	1	3	-	3	30
C Campbell *	1	1	3	1	4	20
GT Chaane	5	2	16	4	20	22
C Israelite	7	1	-	-	-	-
F Johnson	6	3	-	1	1	5
M Klapwijk	4	3	20	-	20	16
M Kubuzie	5	2	16	1	17	5
EX Kula - Ameyaw	4	10	29	4	33	66
VV Mdwara	4	4	-	-	-	-
LW Molobela	6	5	29	39	68	46
Z Mvusi	4	1	9	-	9	10
S Ngxongo	6	1	26	2	28	33
DR Nkhwashu	4	10	25	-	25	23
EI Pieterse	6	2	-	-	-	-
CV Gamede **	2	1	-	-	-	-
PE Scott	6	4	27	7	34	32
HJ Van der Hoven	6	2	27	10	37	28
AM Peters **	3	1	-	-	-	-
D Coovadia (Audit Committee Chairperson)	-	7	71	8	79	97
T Sihlaba (Audit Committee member)	-	1	9	-	9	58
F Gastin (Audit Committee Member)	-	4	35	-	35	-
M Mothipe (Audit Committee member)**	-	2	18	-	18	37
P Radebe	2	15	59	1	60	-
	92	117	546	107	653	672

Council for the Built Environment
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Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
14. Depreciation and amortisation		
Depreciation and amortisation expenditure include the following:		
Property, plant and equipment	211	164
Intangible assets	120	120
	331	284
15. Operating expenses		
Operating expenses include the following:		
Travel and accomodation	812	966
Consulting fees	1,406	3,528
Assets written off	105	145
Subscriptions and membership fees	338	358
Bursary Scheme (Bursaries)	1,840	2,976
Catering for projects	40	27
Awareness and Publications	44	136
Events and Workshops	148	55
	4,733	8,191

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Notes to the Financial Statements

	2013	2012
Note(s)	R '000	R '000

16. Comparison of Budget and Actual amounts

For the financial year 2012/2013 the CBE prepared its budget on a cash basis and its financial reports on accrual basis. Below is the reconciliation of the CBE actual performance to the budget for the year ended 31 March 2013 and reasons for variances identified.

Revenue	Approved Budget	Budget Adjustments	Final Budget	Actual	Variance
Grant income	27,438	3,210	30,648	28,146	2,502
Levies	1,635	-	1,635	1,784	(149)
Other Receipts	-	-	-	54	(54)
Interest	120	70	190	268	(78)
	29,193	3,280	32,473	30,252	2,221

Expenditure	Approved Budget	Budget Adjustments	Final Budget	Actual	Variance
Personell Expenditure	(16,080)	258	(15,822)	(13,707)	(2,114)
Goods and Services	(12,763)	(2,040)	(14,803)	(14,141)	(662)
Depreciation	-	-	-	(331)	331
	(28,843)	(1,782)	(30,625)	(28,179)	(2,445)

Non-current Assets	Approved Budget	Budget Adjustments	Final Budget	Actual	Variance
Fixed assets additions	(350)	(506)	(856)	(891)	(35)

Surplus or (Deficit)	Approved Budget	Budget Adjustments	Final Budget	Actual	Variance
Net Surplus/ (Deficit)	-	992	992	1,181	(189)

Grant Income: the variance is mainly due to seconded employee's reimbursements which was setoff against matching expenditure in the statement of performance.

Levies: The CBE recovered more levies than originally estimated this resulted in an over recovery of 149 thousand rands.

Other receipts: constitute unplanned revenue resulting from insurance claims.

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
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Interest: the CBE over recovered on the interest earned due to a stable interest rates during the year.

Employee costs: The variance is due to seconded employee's reimbursements which was set off against employee costs and performance bonus that was budgeted for but not paid.

Goods and Services: The variance is due to some areas that were not performed.

Depreciation and amortisation: The CBE use the cash based budget which excludes budgeting for depreciation and amortisation.

Fixed assets additions: The fixed assets variance is due to price variances on planned assets as per the need analysis

17. Cash generated from operations

Surplus (deficit)	2,073	(599)
Adjustments for:		
Depreciation and amortisation	331	284
Movements in Deferred operating lease liability	31	421
Movements in provisions	-	(164)
Adjustments, losses and write-offs	105	168
Other non-cash items	(3)	-
Changes in working capital:		
Receivables from exchange transactions	(3)	20
(Increase)/Decrease in trade and other receivables from non-exchange transactions	(28)	135
Payables from exchange transactions	(1,580)	2,086
	926	2,351

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
18. Irregular expenditure		
Opening balance	40	-
Add: Irregular Expenditure - current year	-	40
Less: Amounts condoned	(40)	-
	<u>-</u>	<u>40</u>

Details of irregular expenditure – current year

Details	
Apple Beam	Incurred on printing of additional annual reports
	<u>40</u>

The CBE had during the financial year 2011/2012 incurred irregular expenditure to the amount of R 40,000.00 in relation to printing of the additional annual report copies which resulted in variation higher than the prescribed 15% threshold above the contract amount. The expenditure was condoned by Council in the 2012/2013 financial year.

19. Fruitless and wasteful expenditure

Opening balance	215	-
Fruitless and wasteful expenditure incurred during the year	-	215
Less: Fruitless expenditure condoned or recovered during the year	-	-
	<u>215</u>	<u>215</u>

During the 2011/2012 financial year the CEO's recruitment process was cancelled by the CBE Council, the process was re-initiated and new service provider was sourced. The previous service provider was already remunerated for the work performed at the time of cancellation amounting to R215,360.00 which was not utilised in the new process. An inquiry into the previous recruitment has been instituted by the CBE Council and was not yet completed by the end of the financial year. There is a possible contingent liability amounting to R40 thousand should the service provider enforce the contractual obligation.

20. Financial Instruments

Interest rate risk

Interest rate risk arises primarily from the CBE's investment in cash and cash equivalents. The exposure in terms of cash and cash equivalents are tabled under notes on credit and liquidity risk. Due to the nature of accounts payables and payments being made within 30 days in terms of the PFMA accounts payables does not attract interest rate risk.

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
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A 1% change in the market interest rate on the outstanding balances of the following instruments at year-end will have the following effect per year:

Change in interest rate

	Change in interest rate	Upward change	Downward change
Cash in current banking institutions	1.00 %	65	65

Credit risk

The financial assets that potentially subject the CBE to the risk of non-performance by counter-parties and thereby subject the CBE to concentrations of credit risk, consist mainly of cash and cash equivalents and receivables. The credit risk is controlled through the application of approved regulations, limits and monitoring procedures.

The CBE limits its counter-party exposure by only dealing with well-established financial institutions with high credit ratings assigned by international credit-rating agencies. Credit risk with respect to receivables is limited, due to the nature of the CBE's revenue transactions. The CBE does not have any significant exposure to any individual customer or counter-party. Accordingly, the CBE does not consider having any significant concentration of credit risk, which had not been adequately provided for. Receivables are presented net of doubtful debts.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2013	2012
Receivables - unrated	199	168
Cash and Cash Equivalents: F1 (Fitch rating)	6,474	6,439

Liquidity risk

The CBE manages liquidity risk through proper management of working capital, capital expenditure and cash flow; and by variance reports between actual and budgeted amounts.

Exposure to liquidity risk

The following are the maturities and contractual cash flows of other financial liabilities which have been discounted.

Council for the Built Environment
Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
Payables		
Within one year	3,371	4,922

Fair values

The CBE's financial instruments consist mainly of cash and cash equivalents, receivables and payables. No financial asset was carried at an amount in excess of its fair values could be reliably measured for all financial assets. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

Cash and cash equivalents are invested with reputable financial institutions with maturity of three months or less.

Receivables

The carrying amount of receivables net of provision for impairment approximates fair value due to the relatively short-term maturity of this financial assets.

Payables

The carrying amount of payables approximates fair value due to the relatively short-term maturity of this financial liability. The carrying amount of financial instruments is per category is as follows:

Loans and receivables	6,673	6,607
Financial Liabilities	3,371	4,922

21. Related parties

Relationships

Council members	Refer to accounting authorities report
Executive Authority	National Department of Public Works (DPW)
Professional Council	South African Council for the Architectural Profession (SACAP)
Professional Council	Engineering Council of South Africa (ECSA)

Council for the Built Environment

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Notes to the Financial Statements

		2013	2012
	Note(s)	R '000	R '000
Professional Council	South African Council for the Quantity surveying Profession (SACQSP)		
Professional Council	South African Council for the Project and Construction Management Profession (SACPCMP)		
Professional Council	South African Council for the Property Valuers Profession (SACPVP)		
Professional Council	South African Council for the Landscape Architectural Profession (SACLAP)		

The above related parties did not have any transactions which were not at arms length with the CBE during the financial year 2012/2013.

Receipts from professional councils are in respect of levies in terms of section 17(1)(a) of the CBE Act 43 of 2000.

The payments made by the CBE were in relation to the administrative support provided to the professional councils which required administrative assistance.

Balances due or payable are in relation to levies transactions and administrative support provided.

During the financial year there were no related party transactions with key management or any of the immediate families or any organisation in which they have significant influence.

Related party balances

Related party Balances

South African Council for the Architectural Profession (SACAP)	10	43
Engineering Council of South Africa (ECSA)	(53)	-
South African Council for the Quantity surveying Profession (SACQSP)	2	(7)

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Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
South African Council for the Project and Construction Management Profession (SACPCMP)	1	(79)
South African Council for the Property Valuers Profession (SACPVP)	1	9
National Department of Public Works (DPW)	110	(1,226)

Related party transactions

Related Party Receipts

South African Council for the Architectural Profession (SACAP)	379	333
Engineering Council of South Africa (ECSA)	1,166	1,082
South African Council for the Quantity surveying Profession (SACQSP)	110	106
South African Council for the Project and Construction Management Profession (SACPCMP)	135	110
South African Council for the Property Valuers Profession (SACPVP)	77	74
South African Council for the Landscape Architectural Profession (SACLAP)	8	7
National Department of Public Works (DPW)	29,365	28,659

Related Party Payments

South African Council for the Quantity surveying Profession (SACQSP)		
South African Council for the Architectural Profession (SACAP)	7	-
South African Council for the Project and Construction Management Profession (SACPCMP)	79	-
South African Council for the Landscape Architectural Profession (SACLAP)	502	51
National Department of Public Works (DPW)	1,226	-

21. Related parties (continued) Key management information

Class	Description	Number
Non-executive board members (Refer to Accounting Authorities report and note 13)	Council members	16
Audit Committee (Refer to note 13)	Audit Committee external members	4
Executive management (Refer to note 12)	Senior management	3

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Financial Statements for the year ended 31 March 2013

Notes to the Financial Statements

	2013	2012
Note(s)	R '000	R '000

22. Contingent liability and Commitments

22.1 Contingent liabilities

22.1.1 Accumulated Surplus

In terms of section 53(3) of the PFMA of 1999, the CBE has to obtain approval from national Treasury to retain accumulated surplus funds at year-end. The budget relating to the 2012/2013 has been utilised. Of the R5,329 million in accumulated funds, R2,027 million represents the book value of the assets capitalised which will be realised over time. A request to retain the current year accumulated surplus amounting to R2,679 million will be made to National Treasury. Should the National Treasury not grant the CBE approval to retain accumulated surplus, the CBE will be liable to pay the surplus amounting to R2,679 million back to National Treasury.

Below is the reconciliation of the accumulated surplus.

Accumulated surplus reconciliation	Surplus as per Net Assets	Restricted and committed funds reserved for future use	Carrying Value of Non Current Assets	Reconciled surplus for the Year
Surplus for 2013	5,329	(623)	(2,027)	2,679

22.1.2 Contractual obligation

There is a possible contingent liability amounting to R40 thousand resulting from a contractual obligation that is still under review based on the fruitless expense that has been incurred.

23. Operating lease commitments

Operating lease payments represent rentals payable by the CBE for its office accommodation. Lease is negotiated for an average of three year and no contingent rent is payable.

The operating lease expenses are smoothed on a straightline basis over the lease period. Any overpayments or under payments as a result of the smoothing is recognised into the statement of financial position as a liability until the time that the payments in the future reverses the smoothing to zero by the end of the lease period.

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Notes to the Financial Statements

Note(s)	2013 R '000	2012 R '000
Minimum lease payments due		
Payable within one year	3,541	3,219
Payable within two to five years	1,217	4,758
	4,758	7,977
24. Auditors' remuneration		
External audit fees	1,006	729

25. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Executive authority continue to provide the grant funding as indicated in the MTEF for the MTEF period year for the ongoing operations for the CBE. The CBE's total liabilities are below its assets by R5,329.

26. Events after the reporting date

No significant event took place after the balance sheet date that would have significant effect on the financial statements.





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