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COUNCIL
FOR THE BUILT
ENVIRONMENT

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

ANNUAL REPORT 2016/17





COUNCIL FOR THE BUILT ENVIRONMENT

ANNUAL REPORT

2016/17

The Council for the Built Environment (CBE) is a statutory body established under the Council for the Built Environment Act (no. 43 of 2000). It is an overarching body that coordinates the six councils for the built environment professions (Architecture, Engineering, Landscape Architecture, Project and Construction Management, Property Valuation and Quantity Surveying) for the purpose of instilling good conduct within the professions, transforming the professions and advising the South African government on built environment related issues.

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PART A: GENERAL INFORMATION

1. COUNCIL FOR THE BUILT ENVIRONMENT'S GENERAL INFORMATION

REGISTERED NAME: COUNCIL FOR THE BUILT ENVIRONMENT

PHYSICAL ADDRESS: Corobay Corner
2nd Floor, Block A
169 Corobay Avenue
Menlyn
Pretoria

POSTAL ADDRESS: P O Box 915
Groenkloof 0027

TELEPHONE NUMBER/S: 027 12 346 3985 / 087 980 5009

FAX NUMBER: 027 12 346 3986

EMAIL: registrar@cbe.org.za

WEBSITE: www.cbe.org.za

EXTERNAL AUDITOR: Auditor General of South Africa

BANKER: Standard Bank

COMPANY SECRETARY: Advocate Pieter Fourie

2. LIST OF ABBREVIATIONS/ACRONYMS/DEFINITIONS

Act	The CBE Act
AFS	Annual Financial Statement
AGSA	Auditor-General South Africa
ALS	Accredited Learning Sites
APP	Annual Performance Plan
BE	Built Environment
BEP	Built Environment Professions
CBE	Council for the Built Environment
CBEP	Councils of the Built Environment Professions (previously BEPCs, Built Environment Professional Councils)
CC	Competition Commission
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHE	Council for Higher Education
COO	Chief Operations Officer
CGICTPF	Corporate Governance of Information and Communications Technology Policy Framework
Council	CBE Council
CPD	Continuous Professional Development
DoA	Delegation of Authority
DoD	Department of Defence
DHET	Department of Higher Education and Training
DHS	Department of Human Settlements
DPW	Department of Public Works
DPSA	Department of Public Service and Administration
EPWP	Expanded Public Works Programme
GIS	Geographic Information Systems
GRAP	General Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
HR	Human Resources
ICT	Information Communications Technology
IDMS	Infrastructure Delivery Management System
IDoW	Identification of Work
ILO	International Labour Organization

IT	Information Technology
KMIT	Knowledge Management and Information Technology
Minister	Minister of Public Works
MISA	Municipal Infrastructural Support Agency
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
OCPO	Office of the Chief Procurement Officer
OSD	Occupation Specific Dispensation
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Co-ordinating Committee
QCTO	Quality Council for Trades and Occupations
RECE	Rural Empowerment Career Exhibitions
SAICE	South African Institute of Civil Engineering
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SGB	Standards Generating Body
SIPDM	Standards for Infrastructure Procurement and Delivery Management
SIPs	Strategic Infrastructure Projects
SOE	State Owned Entity
TSC	Transformation Steering Committee
UoT	University of Technology
VA	Voluntary Association
WIL	Work Integrated Learning

Definitions

Candidate	A graduate who requires workplace training to enable him/her to register as a fully-fledged BE professional with the council of the profession concerned.
IDoW (Identification of Work)	Work that is ring fenced, only to be undertaken by suitably qualified and registered professionals within the South African BE categories.
Intern	An undergraduate from a University of Technology, who requires workplace training to complete his/her academic qualifications.
Professional	A person registered as such in terms of an act of a council for a profession; and has met all educational and training requirements set by the council concerned.
Registered Person	A person registered by a council for the professions in the category of professional or candidate or in another specified category.

Committees of Council

ARC	Audit and Risk Committee
BEMC	Built Environment Matters Committee
EXCO	Executive Committee
FHLC	Finance, Human Resource and Legal Committee

CBE's APP Programmes

Programme 1	Administration
Programme 2	Skills for Infrastructure Delivery
Programme 3	Built Environment Research, Information and Advisory
Programme 4	Regulation and Oversight of six councils for the built environment professions
Programme 5	Government Policies and Priorities

Councils for the Built Environment Professions (CBEP)

ECSA	Engineering Council of South Africa
SACAP	South African Council for the Architectural Profession
SACLAP	South African Council for the Landscape Architectural Profession
SACPVP	South African Council for the Property Valuers Profession
SACPCMP	South African Council for the Project and Construction Management Professions
SACQSP	South African Council for the Quantity Surveying Profession

3. FOREWORD BY THE MINISTER



This Council for the Built Environment (CBE) annual report highlights milestones that the entity has achieved as well as challenges that it faced during the 2016-2017 financial year.

Built Environment Professions play an important role in supporting government to deliver on its infrastructure development, so it is essential that CBE itself should be a model for a modern public service. We need to demonstrate this through our approach to developing policy, delivering services and advice, including engaging with our clients as well as stakeholders. Built Environment Professions are responsible for a range of varied and complex infrastructure development and my focus for the coming year will be to harness this reach and use it as a platform for positive change.

I have commenced in this role at a pivotal time for the Built Environment—a time during which there is a close examination of the way government delivers services to its citizens. It is also a time during which the CBE is operating under tight financial constraints. As we adapt to this leaner operating environment it is more important than ever that we work collaboratively and ensure that all our efforts are directed at delivering on government's key priorities. While this environment has inherent challenges, it also presents opportunities to innovate and take a fresh approach, and I am delighted to have stewardship of the CBE during this period of transformation.

In the coming year, the CBE will play a lead role in advising the government on implementing its strategic priorities for the Built Environment. We will continue to develop, analyse policy initiatives to transform and capacitate the Built Environment in order to ensure that Built Environment Professions reflect the demographics of South Africa.

The CBE has to mobilise the Councils for the Built Environment Professions (CBEP) to transform the built environment and to serve their legislative purpose.

As part of the transformation agenda, we will focus on promoting skills development in order to support the roll out of infrastructure delivery in the country.

The CBE and CBEP should be central to the implementation of the Professional Services function to build and sustain the capacity of the State to deliver and de-tenderise the State.

The Council should use the Transformation Indaba resolutions as a spring board to deepen transformation and integration of all initiatives aimed at achieving inclusive growth and prosperity.

My gratitude goes to the members of the CBE Council, Executive Management and staff for their contribution, commitment and dedication. We are called to raise the bar for excellence and quality infrastructure service delivery.

A handwritten signature in black ink, consisting of stylized, overlapping lines.

Mr Nkosinathi Nhleko (MP)

Honourable Minister of Public Works

21 September 2017

4. FOREWORD BY THE CHAIRPERSON



It is my pleasure to present the 2016/17 annual report of the Council for the Built Environment (CBE).

The CBE, as a national public entity and as custodian of the country's built environment professions, supports Government's priorities and the National Development Plan (NDP) to enhance a capable and skilled workforce. The CBE renders this support by focusing on its core mandate and vision. The main focus for 2016/17 was to drive and facilitate skills and human resource development in the BE, provide informed and researched advice to Government on built environment (BE) priority matters identified in the Medium Term Strategic Framework (MTSF), and to promote and enhance high standards of professional ethics within the BE.

The CBE Council has resolved to play a leadership role in the BE by ensuring that key strategic operational matters are addressed by collaboration and partnerships with key stakeholders including Department of Public Works (DPW) sister entities, clients, the private sector and developmental organisations. The CBE has signed a number of Memoranda of Understanding (MoUs) with organisations to further its mandate. These MoUs are important instruments to achieve the CBE's mandate of transforming the built environment professions.

On an operational level, the organisation encountered Information Communications Technology (ICT) challenges. Some of the challenges emanated from outdated hardware. The CBE is currently reviewing and updating its systems and Information Technology (IT) governance frameworks. The Council has acknowledged that in order for the CBE to execute and roll out its approved strategic plan and mandate, and to be able to respond appropriately to the needs of its customers, it is necessary for the organisation's ageing ICT systems and processes to be more integrated and streamlined. Thus, the Council has approved further capital and human resources expenditure to go towards updating the current ICT infrastructure.

The CBE complies with the Public Finance Management Act (PFMA) and the relevant governance standards expected of it as a national public entity. The Council underwent Governance Training facilitated by KPMG to enhance its effectiveness in its oversight role as the accounting body of the CBE. An assessment of the Council and its Audit and Risk Committee (ARC) was effected, and the terms of reference of committees were reviewed. Governance related policies, namely a Compliance Policy and Social and Ethics Policy were adopted, and are being implemented. Governance challenges at councils for the professions were noted, investigated and dealt with accordingly. All human capital related policies were reviewed in consultation with the recognised union and staff.

The importance of transformation was acknowledged and a more pro-active approach to it has been put in place. Existing transformation initiatives by the CBE and councils for the professions have been enhanced. The organisation's collaborative partnerships help in strengthening these initiatives, as well as assist with efforts to transform the built environment. The CBE commenced with the planning the Transformation Indaba, which is to be hosted in the 2017/18 financial year as part of its transformation initiatives, and to formulate a Transformation Charter for the Built Environment.

I wish to extend my sincere gratitude to the Honourable Minister of Public Works, the Portfolio Committee on Public Works, the Director General and the team at the Department of Public Works for their continued support and assistance during the period under review. I would, furthermore, like to thank the Council membership, and management and staff of the CBE for their commitment and drive to ensure that the CBE delivers on its mandate despite the challenges in certain areas of the organisation during the year under review.

A handwritten signature in black ink, appearing to read 'I. M. Nkosi'.

Mr Isaac Mzumara Nkosi

Chairperson: Council for the Built Environment
31 May 2017

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW



This document reports on the performance of the organisation against the targets set in the 2016/17 Programmes, which are aligned to the overall strategic direction. The CBE achieved 73% of its targets, while 27% were not achieved.

For the 2016/17 Annual Performance Plan (APP), **Programme 1** had five annual targets. Of these, one was achieved, while four were not achieved. The highlights of this Programme were the following:

- Internal controls functioned optimally and no new instances of irregular expenditure was incurred during this financial year. The root cause of all identified irregular expenditure has been addressed.
- There was an unqualified audit for 2015/16.

Programme 2 had six annual targets, all of which were achieved. The highlights of this Programme were the following:

- The Project Plan for the production and development of high demand Built Environment Professional (BEP) skills categories (Land and Engineering Surveyors and Geographic Information Systems [GIS] professionals) was completed.
- CBE's partnerships with Universities of Technology (UoTs) and host employers worked very well, which made it possible to place a total of 200 interns - 100 more than the annual target.
- A Transformation Strategy developed for Councils for Built Environment Professions (CBEP).¹

Programme 3 had four annual targets. Of these, three were achieved, and one was not achieved. The highlights of this Programme were the following:

- An advisory report on the implementation of the Occupation Specific Dispensation (OSD) by DPW (National and Provincial departments) was developed and presented at the DPW Skills Forum.
- The final report on the implementation plans of the three partnerships to improve technical capacity within municipal, Provincial and National departments was developed. The partnerships were with the following entities:
 1. The Defence Formation Unit of the National Department of Defence (DoD)
 2. Municipal Infrastructural Support Agency (MISA), representing municipalities
 3. A Memorandum of Agreement (MoA) with the Eastern Cape Department of Public Works
- The final report on the implementation of the Standards for Infrastructure Procurement and Delivery Management (SIPDM) MoA to support infrastructure delivery was developed.

Programme 4 had seven annual targets. Out of the seven targets, one was not achieved. Some councils for the professions did not submit their APP and Strategic Plan to the CBE, resulting in the non-achievement of this target. The highlights for the quarter were the following:

- All appeals lodged were finalised within the statutory time limit as required.
- The final report on Corporate Governance was submitted to DPW.
- The final report on Compliance with the PFMA by the six councils for the professions was developed.
- The oversight report on the implementation of the Monitoring and Evaluation Framework by the six councils for the professions was developed.

General financial review of the CBE

For the year under review, the CBE received a grant allocation of R43.413 million from DPW. Together with additional revenue from the CBEP levies and interest income, the CBE had a total revenue budget of R45.661 million for the year.

¹ Revised acronym, previously BEPCs (Built Environment Professional Councils)

The CBE utilises the grant allocation to deliver on its planned projects as per the APP, as well as priority projects, which may be identified during the year. The total budgeted expenditure for the year is R45.661 million, which resulted in a zero deficit budget for the year. The actual financial performance of the CBE resulted in a deficit of R1.814 million for the year. The detailed financial performance is outlined in the annual financial statements for the 2016/17 financial year.

The total actual revenue earned for the year amounted R46.438 million against the budgeted revenue of R45.661 million. The favourable variance of R0.777 million on revenue is due to the following:

1. There was a minor improvement in the levy amounts received from the CBEP, and for interest earned.
2. The other operating income exceeded budget due to the disposal of decommissioned assets.

The total actual expenditure incurred for the financial year amounted to R48.252 million (98.7% spent), against the budgeted expenditure of R45.661 million. The unfavourable variance of R2.591 million is due to the following expenditure items:

1. Vacant positions not filled during the year;
2. Delays, from mentors in the candidates programme, in submitting their invoices;
3. Over-expenditure of R3.299 million in Programme 2 projects, funded by the retention of surplus funds approved by National Treasury;
4. Delays in research projects, due to alternative options explored to employ experts;
5. Funds, ring-fenced for the Competition Commission appeal, that were not utilised during the year; and
6. ICT network infrastructure spending of R1.054 million funded by approved surplus funds.

National Treasury issued a new Instruction Note on the application for surplus funds, which stipulates that commitments must be deducted from the current year surpluses. This has resulted in the CBE having no surplus funds for the current financial year.

As a result of the under-expenditure in Programme 1, there was a favourable variance of R0.348 million or 0.8%.

In Programme 2, there was an unfavourable variance of R3.299 million (-66%). This was due to the expenditure over budget on the roll out of the Maths and Science support programme and the extension of the interns and candidates projects. Both of these projects were funded by the surplus funds held by the CBE, which was approved by National Treasury for use on these projects.

Programme 3 had a favourable variance of R0.199 million (18%). The under expenditure was due to lesser travelling than expected. The project was delayed while alternate options were explored to employ experts. The budget allocated to the project was spent on all activities outlined in its project plan.

Programme 4 had a favourable variance of R0.161 million (21%), due to funds that were ring-fenced for the appeal of the Competition Commission (CC) case.

Capacity Constraints and Challenges facing the Public Entity

Challenges that face the CBE emanate from both its internal and external operating environments. Some of the targets, which were not achieved, were due to a heavy dependence on external stakeholders for their success. The CBE also experienced IT challenges. Some of the identified challenges were caused by ageing servers and old switches, connectivity and access control. The CBE is currently reviewing and updating its systems and IT governance frameworks.

The management of CBE's occupational lease remained a challenge in the financial year under review. The CBE relocated from Brooklyn to Menlyn in the last quarter of the financial year. The Chief Executive Officer (CEO), suspended in April 2015, was dismissed on 29 August 2016. A recruitment process for this position is currently underway. The Manager: Legal and Regulations Services acted in the CEO's position from April 2015 to October 2015. The Chief Operations Officer (COO) has been acting in the position of the CEO from November 2015 to date.

Requests for Rollover of Funds

The CBE obtained approval from National Treasury, in November 2015, to retain and use surplus funds amounting to R8.1 million. The projects utilising the retained surplus funds are in progress and were completed in the 2016/17 financial year. A further request has been approved by National Treasury to retain a surplus amount of R4.3 million, which will be utilised for the upgrade and improvement of the current IT infrastructure.

Supply Chain Management

The CBE revised and updated the supply chain management (SCM) policy to ensure compliance with the latest developments and instruction notes from National Treasury on cost cutting measures and enhancing and monitoring performance. The CBE has complied with the National Treasury instruction to adopt the Central Supplier Database from 1 April 2016. Irregular expenditure identified, was dealt with in terms of National Treasury prescripts. There were no new irregular expenditure incidents in the current year; the only irregular expenditure incurred were the payments made on a prior period irregular expenditure contract, which has since terminated.

Audit Report on Matters from the Previous Year

During the year under review, the CBE's audit finding matrix monitored and tracked the implementation of recommendations made by the Auditor General South Africa (AGSA) and the internal auditors. The ARC reviewed and recommended the matrix for approval. The repeat audit issues on ICT governance and ICT security controls were the drivers for the additional spend required for the ICT infrastructure upgrades.

Outlook/ Plans for the future to address Financial Challenges

The CBE finds itself under severe funding constraints to meet all of its planned objectives, which did not allow for the much-needed upgrade and improvement of CBE's ICT infrastructure. However, an application to National Treasury to access surplus funds has fortunately, been approved.

The CBE is working towards strengthening partnerships through a well-coordinated Stakeholder Management plan, which will enable it to leverage resources and coordinate transformation interventions within the built environment.

Events after the Reporting Date

The former CEO of the CBE was dismissed on 29 August 2016 after a disciplinary hearing. The fairness of her dismissal was challenged at the Commission for Conciliation, Mediation and Arbitration (CCMA). The matter was set down by the CCMA for five days for an arbitration hearing, to start on 24 April 2017. At the commencement of the arbitration hearing, the former CEO elected to withdraw her case before the CCMA, with the intention of lodging a case of an automatically unfair dismissal with the Labour Court. The lodgement of the case with the Labour Court is still awaited. The time for the lodgement of a case in the Labour Court has lapsed and condonation will have to be sought from the Labour Court before the merits of the case will be heard. A reliable estimation of settlement therefore cannot be made.

No other significant events occurred after the reporting date.

Economic Viability

A Government Grant and levies from the six CBEP, who depend solely on registration fees from their professionals, sustain the CBE.

Acknowledgement

I would like to express my sincere appreciation to the CBE Council, the various Committees of Council, and CBE staff for their dedication in ensuring that CBE's mandate was carried out. I would also like to express my sincere appreciation for the support and leadership of the Honourable Minister and Deputy Minister of the Department of Public Works (DPW) during the period under review.



Ms Priscilla Mdlalose

Acting Chief Executive Officer
Council for the Built Environment
31 May 2017

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in this annual report are consistent with the annual financial statements audited by the AGSA. This annual report is complete, accurate and free from any omissions. It has been prepared in accordance with the guidelines issued by the National Treasury.

The Annual Financial Statements (Part E) has been prepared in accordance with the General Recognised Accounting Practice (GRAP) standards, applicable to a public entity. The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made from this information. The Accounting Authority is also responsible for establishing and implementing a system of internal control, designed to provide reasonable assurance on the integrity and reliability of the performance information, human resources information and the annual financial statements. The external auditors were engaged to express an independent opinion on the annual financial statements.

In our opinion, this annual report reflects the operations, performance information, human resources information and the financial affairs of the public entity fairly for the financial year ended 31 March 2017.

Yours faithfully



Ms Priscilla Mdlalose

Acting Chief Executive Officer



Mr Isaac Mzumara Nkosi

Chairperson: CBE Council

7. STRATEGIC OVERVIEW



8. LEGISLATIVE AND OTHER MANDATES

8.1 The objectives of the CBE as per section 3 of the CBE Act 43 of 2000 (the CBE Act), are to:

1. Promote and protect the interest of the public in the built environment;
2. Promote and maintain a sustainable built environment and natural environment;
3. Promote ongoing human resources 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 the Republic and elsewhere and to promote the standards of such training in the Republic;
8. Serve as a forum where the built environment professions can discuss relevant issues; and
9. Ensure uniform application of norms and guidelines set by the councils for the professions throughout the built environment.

8.2 Functions, Powers and Duties of the Council (Section 4 of the CBE Act 43 of 2000,)

The Council may-

- (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) communicate to the Minister² information on matters of public importance acquired by the council in the course of the performance of its functions under this Act;
- (c) make recommendations to the Minister on the composition, functions, assets, rights, employees or financing of the council;
- (d) advise the Minister with regard to the amendment of this Act, if necessary, in order to support the norms and values of the built environment professions;
- (e) facilitate inter-ministerial co-operation concerning issues relating to the built environment;
- (f) 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;
- (g) comment, if necessary, on all proposed legislation impacting on health and safety in the built environment;
- (h) direct communication from the Minister or the relevant Minister to the councils for the professions;

2 Minister of Public Works

- (i) advise the councils for the professions on matters of national importance where the needs of the State, as communicated to the council through the relevant Minister, require joint and co-ordinated action by the built environment professions;
- (j) coordinate the establishment of mechanisms for professionals to gain international recognition;
- (k) ensure the consistent application of policy by the councils for the professions with regard to-
 - (i) accreditation;
 - (ii) the registration of different categories of registered persons;
 - (iii) key elements of competence testing of registered persons;
 - (iv) codes of conduct to be prescribed by the councils for the professions;
 - (v) the principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition;
 - (vi) standards of health, safety and environmental protection within the built environment;
 - (vii) the recognition of voluntary associations for the built environment professions, by approving the framework for that recognition submitted by the councils for the professions, taking due cognisance of the characteristics of each built environment profession;
- (l) investigate or initiate investigations into matters pertaining to its functions and policies with regard to the built environment and, if necessary, recommend legislation in this regard;
- (m) act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions;
- (n) in consultation with councils for the professions, obtain recognition for the councils for the professions as bodies responsible for the establishment of education and training standards in terms of the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995);
- (o) ensure the consistent application of policy throughout the built environment by encouraging coordination between the councils for the professions;
- (p) promote coordination between the Council on Higher Education and the councils for the professions in relation to the accreditation of education institutions;
- (q) liaise with the Competition Commission, established in terms of the Competition Act, 1998 (Act No. 89 of 1998), on behalf of the councils for the professions regarding the identification of work for the built environment professions;
- (r) review fees published by the councils for the professions to ensure the consistent application of the principles regarding such fees;
- (s) charge-
 - (i) membership fees in the prescribed manner from the councils for the professions, calculated pro rata to the number of persons registered with that council;
 - (ii) fees payable for appeals in terms of section 21; and
 - (iii) any other fee it considers necessary;

- (t) institute legal proceedings to recover all outstanding membership fees payable under this Act;
- (u) consider proposals from the councils for the professions with regard to the determination of policy contemplated in paragraph (k);
- (v) receive and assimilate the annual reports of the councils for the professions and submit a summary to the Minister;
- (w) purchase, hire or otherwise acquire or dispose of property, borrow money on the security of the assets of the council or accept and administer any trust or donation;
- (x) subject to this Act, approve standing orders for the regulation of its proceedings and of all other matters relating to the management, powers and duties of the Council;
- (y) perform such functions as may be prescribed; and
- (z) generally, do all such things as the Council deems necessary or expedient to achieve the objectives of this Act.

8.3 Other Legislative Mandates

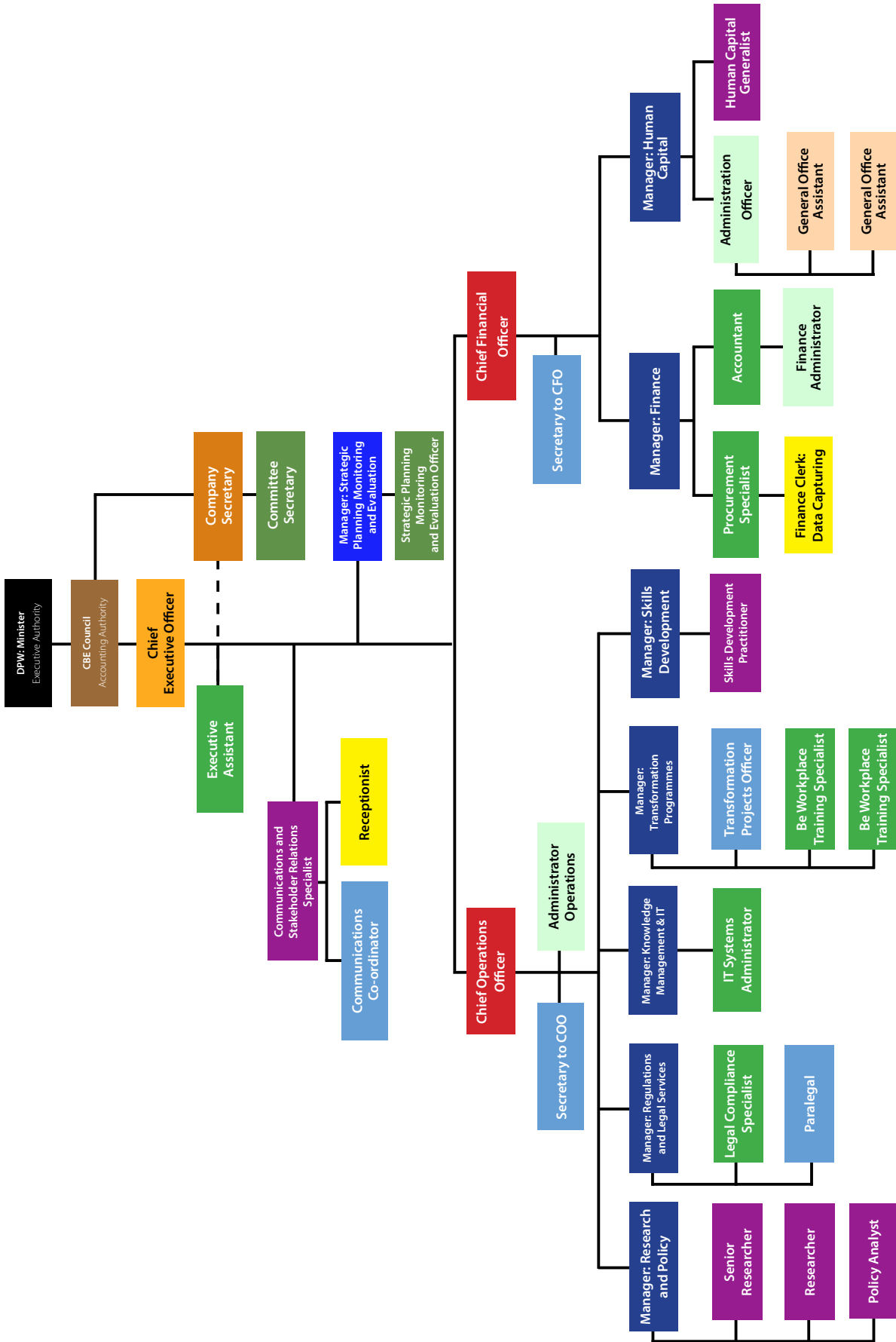
The scope of the CBE and councils for the professions in the BE value chain is to regulate those BEPs who conceptualise, design, build, maintain and transfer social and economic infrastructure. The CBE executes its mandate derived from the CBE Act 43 of 2000 (the Act), whilst also mindful of the following legislations, regulations and policies:

Table 1: Other Legislative Mandates

Short Title of The Act	Purpose of the Act
Republic of South Africa Constitution, 1996	The Constitution is the supreme law of the land. No other law or government action can supersede the provisions of the Constitution.
Consumer Protection Act, 2011	To promote a fair, accessible and sustainable marketplace for the consumer.
Construction Industry Development Board Act, 2000	To provide for the establishment of the Construction Industry Development Board; and matters incidental thereto.
Council for the Built Environment Act, 2000	To provide for the establishment of the Council for the Built Environment and matters incidental thereto.
Architectural Profession Act, 2000	To provide for the establishment of the Council for the Architectural Profession and matters incidental thereto.
Landscape Architectural Professional Act, 2000	To provide for the establishment of the Council for the Landscape Architectural Profession and matters incidental thereto.
Engineering Profession Act of South Africa, 2000	To provide for the establishment of the Council for the Engineering Profession and matters incidental thereto.
Project and Construction Management Profession Act, 2000	To provide for the establishment of the Council for the Project and Construction Management Profession and matters incidental thereto.
Quantity Surveying Profession Act, 2000	To provide for the establishment of the Council for the Quantity Surveying Profession and matters incidental thereto.
Property Valuers Profession Act, 2000	To provide for the establishment of the Council for the Property Valuation Profession and matters incidental thereto.
Public Finance Management Act, 1999	To regulate financial management and to ensure that all revenue, expenditure, assets and liabilities of Government departments or entities are managed efficiently and effectively.

Short Title of The Act	Purpose of the Act
Skills Development Act 97, 1998	To govern training, education and skills development in the workplace.
Employment Equity Act, 1998	Applies to all employers and workers and protects workers and job seekers from unfair discrimination, and provides a framework for implementing affirmative action.
Promotion of Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
Promotion of Access to Information Act, 2000	To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
Minimum Information Security Standards	<p>(1) Maximises the degree to which unclassified geographic information from various sources can be made electronically compatible and accessible; and</p> <p>(2) Promotes the development of interoperable geographic information systems technologies that shall:-</p> <p>(a) allow widespread, low-cost use and sharing of geographic data by National, Provincial, local governments and state entities, and the public; and</p> <p>(b) enable the enhancement of services using geographic data.</p>
Occupational Health and Safety Act, 1993	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory Council for occupational health and safety.
National Treasury Regulations	These regulations are issued on a regular basis by National Treasury and are applicable to all public entities as listed on Schedules 2, 3B and 3D. These regulations are also applicable to public entities listed on Schedules 3A and 3C until 31 March 2001.

9. ORGANISATIONAL STRUCTURE



10. STAKEHOLDER RELATIONSHIPS

Building and maintaining good stakeholder relationships is paramount to CBE's wellbeing, and for the built environment. The CBE understands that stakeholder relationships play a role in encouraging trust, and stimulates collaborative efforts that lead to relational wealth and mutual growth. The CBE's view is that positive stakeholder relationships are grounded in these mutual needs and interests, and strives to maintain open and effective strategic relation management.

10.1 Exhibitions

The CBE participated in 14 career exhibitions during the 2016/17 financial year, summarised in the table below:

Table 2: Exhibitions

NO	DATE	STAKEHOLDER / ORGANISATION	DISTRICT / PROVINCE	ATTENDANCE
1	01 April 2016	South African Council for Project and Construction Management Professions (SACPCMP)	Pretoria (Gauteng)	250
2	28-29 April 2016	Rural Empowerment Career Exhibition (RECE)	Setlagole Village (North West)	1257
3	5-6 May 2016	Northern Cape Provincial Department of Education	Kimberley (Northern Cape)	1648
4	10 May 2016	Northern Cape Provincial Department of Education	Upington (Northern Cape)	2561
5	1-2 June 2016	Mangosothu University of Technology	Durban (KwaZulu-Natal)	75
6	27 June	Property Sector Charter Council	Durban North (KwaZulu-Natal)	650
7	20 July 2016	DPW and Department of Higher Education and Training (DHET)	Waterberg (Limpopo)	2300
8	31 August 2016	DPW	Dordrecht (Eastern Cape)	515
9	28 September 2016	DPW	Mamelodi (Gauteng)	1300
10	05 October 2016	Property Sector Charter Council	Cape Town (Western Cape)	120
11	12 October 2016	DPW	Steynsrus (Free State)	1275
12	14 October 2016	DPW	Itsoseng (North West)	1000
13	17 February 2017	DPW	Mtubatuba (KwaZulu-Natal)	500
14	24 March 2017	Sanral	Hammanskraal (Limpopo)	1250

DPW is CBE's main stakeholder partner in this outreach programme for their approximately 23 adopted schools nationally. Primarily the target audience of these career expos were Grade 10-12 learners, who sought information in order to make career decisions. The information package disseminated by CBE to this target group was:

- A definition or understanding of the built environment
- Identify the six BE career areas promoted by CBE
- Subjects and pass levels required
- Qualifications they can pursue at tertiary institutions

- Possible employment options upon qualifying
- Sources of further information on BE careers

Some general observations from interaction with learners were:

- They do not respond to the term “built environment” as compared to the familiarity of the “construction sector” during presentations.
- A great number of them take Maths Literacy, thus disqualifying them for tertiary study in BE careers.
- They find the pass mark requirement of 60% in Pure Maths and Science out of their reach.
- Exhibiting at events where the anchor host and co-exhibitors are like-minded and aligned to the built environment (such as Property Sector Charter Council and Sanral) was a more meaningful experience.

The information disseminated at Mangosuthu UoT was through one-on-one engagement with students from the BE Faculty. It focused on students’ specific needs such as internship, requirements for professional registration and possible recruitment sources. The finding from here is that it will be of value to have councils for the professions present to address specific needs regarding professional registration.

Participation in the RECE (Rural Empowerment Career Exhibitions) event, a non-governmental organisation operating in remotely rural areas, was social community initiative by CBE. The exhibition was held on 28-29 April in Setlaogole village, a rural area in the North West province with no running water and electricity. The promotional items distributed to learners were Maths sets and LED portable lamps to assist with the challenges in their learning environment.

10.2 Hosting and Speaking Platforms

There were other stakeholder platforms where the CBE had a hosting and speaking opportunity. The information disseminated at these events was in accordance with the target audience in attendance. These stakeholder engagements are tabulated below:

Table 3: Hosting and speaking platforms

NO	PLATFORM	DATE	INFORMATION DISSEMINATED
1	DPW Ministers Budget Vote Speech in Parliament	20 April 2016	CBE Information Brochure
2	CBE Stakeholder Workshop on Strategic Planning	25 May 2016	CBE Strategic Plan CBE APP CBE Annual Report
3	DPW Skills Forum	27 May 2016	CBE’s APP projects on technical capacitation of the State.
4	Mangosuthu UoT Gala Dinner	2 June 2016	Speech delivered by the Acting CEO.
5	CBE SIPDM Stakeholder Forum	26 August 2016	Presentation delivered by Council member, Dr ZT Mathe.
6	DoD Symposium	10 November 2016	Presentation delivered by CBE Manager, Ms Nana Mhlongo.
7	SACPCMP Conference	28 October 2016	Keynote Address delivered by CBE Council Chairperson, Mr I. Nkosi.
8	Municipality Mayors Conference	28 October 2016	Presentation delivered by CBE Manager, Ms Nana Mhlongo.
9	Strategic Infrastructure Projects (SIPs) Geomatics Stakeholder Workshop	14 March 2017	Presentation delivered by CBE Skills Practitioner, Mr Joseph Komane.

10.3 Media and Publications

The media, in its various forms, is deemed a key stakeholder in disseminating information about the CBE. During the 2016/17 financial year, CBE had the following engagements with the media:

Table 4: Media engagements

NO	MEDIA PLATFORM	DATE	CONTENT
1	Ratlou Community Radio (North West)	29 April 2016	CBE's Communications Specialist, Ms Evelyn Bramdeow interviewed on career requirements for BE Careers.
2	Times Media Supplement	11 May 2016	Free advertorial on: <ul style="list-style-type: none"> • CBE's Mandate • Benefits of Professional Registration
3	Hard Hat Blog	18 July 2016	On-line BE questionnaire
4	Sunday Times	12 September 2016	Identification of Work Guidelines for Professional Fees
5	FDI Spotlight Media Agency	17 September	Acting CEO interviewed on the SA built environment's contribution to the economy.
6	National Government Handbook	March 2017	CBE's information published as relates to Government entities.

10.4 Other Stakeholder Collaborations

10.4.1 The Office of the Chief Procurement Officer: Focus on National Treasury's Standard for Infrastructure Procurement and Delivery Management (a South African Institution of Civil Engineering [SAICE] publication).

CBE sponsored a print run of 10 000 copies of SAICE's publication '*Civilution*' on 27 March 2017 for distribution to BEPs and BE tertiary students. In accordance with the target audience, the two-page write-up focused on:

- CBE's core functions and mandate
- Benefits of professional registration
- Contact details of the CBEP

The objectives of this publication is for BEPs to familiarise themselves with the SIPDM and to encourage professional registration among existing and future BEPs. Therefore, the target audience for this publication are BEPs employed in government infrastructure departments and municipalities as well as BE tertiary students. The distribution channels will be:

- The Office of the Chief Procurement Officer (OCPO) in National Treasury,
- BE Faculties at tertiary institutions, and
- OSD workshops and similar engagements with government infrastructure departments and municipalities.

10.4.2 Going Green Leaders Corporate Platform

The CBE has been offered honorary, no fee membership of GreenBDG, a registered non-for profit organisation that provides an open knowledge platform for the optimisation of green building design processes across the built environment. GreenBDG uses its green building knowledge platforms to ensure active collaboration between the academia, public sector and private sector built environment participants. The objectives of the forum are:

- Contribution to the Building Efficiency Technical Guidelines;
- Training and Development through accredited Going Green Education programmes;
- Knowledge sharing between academia, private and public sector participants through the annual Going Green Conferences;
- Accurate information on environmentally friendly and accredited building products through the Going Green Products directory; and
- Mentorship of Candidate Professionals and tertiary students through focused learning methods that encourages them to be innovative and responsive to the changing needs of the industry.

10.5 Memoranda of Understanding and Memoranda of Agreement

Partnerships have been formalised with the stakeholders mentioned below, and the following outlines progress on the implementation plans:

Partnership 1 - The Defence Formation Unit of the National DoD

The MoA was signed in December 2016. As part of the implementation plan, the following activities have been undertaken:

1. Meetings with DPW and the Defence Formation Unit to ensure alignment of support initiatives.
2. Meeting with DoD and the Department of Public Service and Administration (DPSA) to clarify issues relating to the OSD, as part of recruiting BEPs for the Defence Formation Unit.
3. CBE delivered a presentation at the Defence Formation Symposium.
4. Continuous advice to the Defence Formation Unit on their recruitment process.

Partnership 2 – Municipal Infrastructural Support Agency (MISA)

The MoA was signed in September 2016 and the implementation plan was finalised in December. A consensus was reached during engagements that the Human Capital Unit of DPW would play an effective role in realising the objectives of this partnership. As a result, DPW is a co-signatory in the CBE/MISA MoU.

Partnership 3 - Eastern Cape DPW

The MoA was signed with the Eastern Cape Department of Public Works during the second quarter. A follow up meeting was held in the last quarter to discuss the challenges of professional registration for the Department's technical officials.

HISTORY OF THE CBE

Government identified the need to establish the Council for the Built Environment as co-ordinating structure for the professions in the built environment; to ensure access to the coordinated support of the professions with regard to national development priorities and the regulation of the professions.

The Council for the Built Environment Act, 2000 (Act No 43 of 2000), was promulgated in 2000 establishing an overarching Council for the professions practising within the Built Environment:

- with the framework within which the various statutory councils operate i.e. architecture profession, engineering profession, landscape architecture profession, project and construction management professions, property valuers profession and quantity surveying profession;
 - as a medium of communication from the Minister to the councils for the professions; and
- to hear appeals in cases of unsatisfied appellants with the decisions of individual councils for the professions.



PART B: PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 96 for the Report of the External Auditor, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1 Service Delivery Environment

This document reports on the performance of the organisation against the targets set in the 2016/17 Programmes, which are aligned to the overall strategic direction. The CBE achieved 73% of its targets while 27% were not achieved.

2.2 Organisational Environment

CBE has a staff complement of 32. The vacancy rate is 20%. CBE's challenges emanate from both its internal and external operating environments. The general reasons noted for the non-achievement of targets are:

- Some of the targets, which were not achieved, were heavily dependent on external stakeholders for their success.
- The CBE also experienced IT challenges. Some of the identified challenges were in the areas of disaster recovery and backup; lack of servers or old servers and old switches; connectivity and access control. The IT system was down for most of the year. Due to the Knowledge Management and Information Technology (KMIT) Manager's ill health and eventual resignation, the required functions could not be performed. The CBE is currently reviewing and updating its systems and IT governance frameworks.
- The management of CBE's rental lease remained a challenge in the financial year under review. The CBE relocated from Brooklyn to Menlyn in the last quarter of the financial year.
- The CBE continued to operate with leadership in acting positions. The CEO, suspended in 2015, was dismissed on 29 August 2016. A recruitment process for this position is currently underway. The COO has been acting in the position of the CEO from November 2015 to date.

With regard to Human Resource (HR) management the following is underway:

- Review and implementation of the job evaluation outcomes
- Implementation of the skills gap analysis outcomes
- Filling the CEO position

2.3 Key Policy Developments and Legislative Changes

No legislative revisions have been made to date.

2.4 Strategic Outcome Oriented Goals

The strategic goals listed below were developed to guide the work of the CBE and to co-ordinate work with the councils for the professions:

Strategic Goal 1: A built environment that is responsive to the developmental and economic priorities of Government.

Strategic Goal 1	A built environment that is responsive to the developmental and economic priorities of Government.
Goal Statement	A built environment that is aligned with environmental, health and safety legislations and contributes to service delivery, job creation, poverty alleviation and economic development.
Goal Summary	BE academic curricula and Continuous Professional Development (CPD) programmes embody health and safety in construction, environmental sustainability, job creation through labour intensive construction, and the Infrastructure Management Delivery System (IDMS).

Strategic Goal 2: A transformed built environment with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery, operation and maintenances needs.

Strategic Goal 2	A transformed built environment with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery, operation and maintenances needs.
Goal Statement	A well-functioning BE skills pipeline that is demographically and gender representative, and supports National infrastructure delivery.
Goal Summary	Implement skills development programmes to ensure the production of competent, dynamic and transformed professionals in the BE.

Strategic Goal 3: An optimally functioning built environment with a responsive and relevant policy and legislative framework based on informed and researched positions.

Strategic Goal 3	An optimally functioning built environment with a responsive and relevant policy and legislative framework, based on informed and researched positions.
Goal Statement	Provision of informed and researched advice to Government and all sectors of the economy on BE priority matters identified in the Medium Term Strategic Framework (MTSF), supported by well-functioning BE research, knowledge management and information resources.
Goal Summary	Offer advice to the Minister of Public Works on BE matters, whilst being mindful of the dynamic and changing BE sector, to fine tune Government's planning and infrastructure investment.

Strategic Goal 4: BEPs that operate within a regulated policy and legislative framework.

Strategic Goal 4	BEPs that operate within a regulated policy and legislative framework.
Goal Statement	BEPs that provide their services in an ethical and professional manner and are responsive to the country's National goals and needs, whilst complying with legislative requirements.
Goal Summary	Ensure that CBE acts as an appeal body on matters of law regulating the BEPs, and to promote sound governance of the BEPs.

3. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

During the 2016/17 financial year, the CBE implemented its APP through four programmes viz.

3.1 Programme 1: Government Policies and Priorities

The strategic objective of Programme 1 is to ensure that BE academic curricula and CPD programmes embody health and safety in construction, environmental sustainability, job creation through labour intensive construction, and the IDMS. The Programme also includes the administration support function of the CBE, which are human capital development, ICT and financial support services.

For the 2016/17 APP, Programme 1 had five annual targets.

3.1.1 *Six MoAs on the framework implementation on BE curricula reviews and changes to incorporate health and safety, environmental sustainability, labour intensive construction and the IDMS into BE academic curricula finalised with six BEPCs by 31 March 2017. – Not achieved.*

The aim of this project is to facilitate incorporation of the CBE framework of health and safety, sustainability, labour intensive techniques and the IDMS into the BE curricula at South African tertiary institutions. This project originates from the research previously undertaken by CBE, which resulted in the development of a framework for incorporating new knowledge areas in BE programmes. The four areas were strategically identified as key in the country's development and supporting Government priorities; hence the need for their full incorporation into the training of BEPs in South Africa. The implementation of the framework will be driven by the CBEP within the function of accreditation, as embedded in their legislative mandates.

During the 2016/17 financial year, the CBE, in collaboration with the CBEP, facilitated activities to develop an approach to incorporate these four areas into BE curricula.

The first draft MoA was developed and reviewed. It was circulated to the CBEP for their input in the first month of the last quarter. Parallel to this process was the appointment of a service provider to undertake a baseline study on the extent to which the five knowledge areas of the framework have been implemented in BE programmes at universities. It was finalised during the third quarter and presented to the councils for the professions at a workshop in February 2017. The outcomes of the report highlighted health and safety, as well as sustainability, as the most considered in the programmes, but there is still need to expand on them. Further engagements are planned for the new financial year with the Department of Human Settlements (DHS) units responsible for capacity building and human settlements planning.

The annual target of the MoAs was not achieved due to the CBEP request for further engagements with the Council for Higher Education (CHE) and the Quality Council for Trades and Occupations (QCTO) on the focus areas of the MoAs.

3.1.2 *Job profiling of all positions and a skills development report, finalised and submitted to Council for approval by 31 March 2017- Not Achieved.*

Job profiling is an important part of CBE's planning as it entails mapping the responsibilities, qualifications, competencies and reporting lines of employees. The aim of the project was to review job profiles, align them to business processes, and link them to outcomes in a logical sequence, based on mapped processes and process flows. Revised job profiling and job evaluations were concluded. A feedback session has been scheduled in the new financial year. A skills audit was conducted and its report was scheduled for presentation at the end of financial year. This did not materialise due to the office relocation. However, it will be concluded in the coming quarter. The annual target of submission to Council for approval was not achieved.

3.1.3 *Developed IT Governance, in compliance with the DPSA Corporate Governance of ICT, and the implementation of the IT strategy by 31 March 2017 – Not achieved.*

The aim of this project is to achieve an effective and efficient management of the IT resources and service delivery to support CBE's objectives. ICT Governance focuses on the following:

- Alignment between IT and business strategies;
- Maintaining high-quality information to support business decisions;
- Generating business value from the effective and innovative use of IT;
- Achieving operational excellence through the reliable and efficient application of technology; and
- IT Risk management – to safeguard IT assets, disaster recovery and the continuity of operations.

The Public Service Act and Regulations places the responsibility of managing electronic governance in the public service with the Minister of Public Service and Administration. DPSA, in collaboration with the Government Information Technology Officer Council and the AGSA, developed the Corporate Governance of Information and Communications Technology Policy Framework (CGICTPF), whose purpose is to institutionalise the Corporate Governance of and Governance of ICT governance within Departments. The CGICTPF is applicable to all spheres of Government, organs of state and public enterprises.

The final CBE IT Governance and IT Strategy was not completed, due to the ill health and subsequent resignation of the KMIT Manager. The final document will be submitted for approval during the first quarter of the next financial year.

Surplus funds have been approved for the CBE to support its ICT systems. Council approved the procurement of the new IT cabling system in March 2017. Server upgrades will be finalised during 2017/18 financial year.

3.1.4 *Zero irregular expenditure maintained – Not achieved.*

The aim of this requirement is to ensure full compliance with the PFMA and National Treasury Regulations. The annual target was to maintain zero irregular expenditure. The internal controls functioned optimally, and no new instances of irregular expenditure was incurred. The root cause of all previously identified irregular expenditure has been addressed.

The target was not achieved as expenditure was incurred on a three year contract which was identified as irregular in the previous financial years. Condonation is still underway from National Treasury for this irregularity. It has been difficult to obtain the supporting evidence (viz. the tax clearance certificate for each supplier for that specific financial year) for this condonation request, as required by National Treasury.

3.1.5 *Unqualified audit report - Achieved.*

The aim of this target is to implement sound financial management and internal controls to achieve a clean audit. It relates to the overall performance of the CBE, including compliance with all relevant statutory regulations, proper financial management and a sound internal control environment. The final assessment of the CBE's performance and financial state by the AGSA forms a critical part in determining whether the target was achieved. In the 2015/16 financial year, the CBE obtained an unqualified audit.

Programme 1 – Strategic objectives, performance indicators, planned targets and actual achievements

Programme/activity/objective: To ensure that the CBE has the necessary capacity and capability to support Government’s development priorities within the BE, including infrastructure delivery programmes, health and safety in construction, environmental sustainability and job creation.					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
To ensure that the CBE has the necessary capacity and capability to support Government’s development priorities within the BE, including infrastructure delivery programmes, health and safety in construction, environmental sustainability and job creation.	Zero. Framework developed, but not endorsed by CHE.	Five	One	Four targets were not achieved. The annual target of the MoAs was not achieved due to the CBEP request for further engagements with the CHE and QCTO on the focus areas of the MoAs. CBE’s IT Governance and IT Strategy were not completed, due to the absenteeism and eventual resignation of the KMIT Manager. Irregular expenditure incurred relates to a three-year contract, identified as irregular at the date of award. Condonation is still underway from National Treasury for this irregularity.	The target of the MoAs will be finalised in the new financial year. An IT Governance service provider was performed a GAP Analysis and provided an Implementation Plan to address the shortcomings experienced. The recommendations, which commenced during the office relocation, will be implemented in stages in the first quarter of the new financial year.

Programme 1 – Key performance indicators, planned targets and actual achievements

Programme/activity/objective: To ensure that the CBE has the necessary capacity and capability to support Government's development priorities within the BE, including infrastructure delivery programme, health and safety in construction, environmental sustainability and job creation.					
Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
1.1 Number of MoAs on incorporating health and safety, environmental sustainability, labour intensive construction and IDMS into BE academic curricula.	Framework developed, but not endorsed by CHE.	Six MoAs on the framework implementation on BE curricula reviews and changes to incorporate health and safety, environmental sustainability, labour intensive construction and the IDMS into BE academic curricula finalised with six BEPCs by 31 March 2017.	Not achieved	The annual target of the MoAs was not achieved due to the CBEP request for further engagements with the CHE and QCTO on the focus areas of the MoAs.	The MoA will be finalised in the new financial year.
1.2 Enhanced internal control of the support services of the CBE.	-	Job profiling of all positions 31 March 2017.	Not achieved	The profiles were developed, however they were not submitted to Council for approval.	The approval will be submitted to Council in the new financial year. A feedback session has been scheduled in the new financial year.
1.3 Efficient and effective Knowledge management of the IT services.	-	Developed IT Governance, in compliance with the DPSA Corporate Governance of ICT, and the implementation of the IT strategy by 31 March 2017.	Not achieved	The first draft was developed but not finalised due to capacity challenges in the IT department.	On IT Governance, a service provider performed a GAP Analysis and provided an Implementation Plan to address the shortcomings experienced. The recommendations, which commenced during the office relocation, will be implemented in stages during the first quarter of the new financial year.

Programme/activity/objective: To ensure that the CBE has the necessary capacity and capability to support Government's development priorities within the BE, including infrastructure delivery programme, health and safety in construction, environmental sustainability and job creation.

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
1.4 Reduced irregular expenditure baseline.	-	Zero irregular expenditure maintained.	Not achieved Irregular expenditure incurred relates to a three-year contract, identified as irregular at the date of award. Condonation is still underway from National Treasury for this irregularity.	Condonation is still underway from National Treasury for this irregularity. It has been difficult to obtain the supporting evidence (viz. the tax clearance certificate for each supplier for that specific financial year) for this condonation request, as required by National Treasury. No new instances of non-compliance has been noted.	Condonation is still underway from National Treasury for this irregularity.
1.5 Clean audit.	-	Unqualified audit report without findings, by 31 March 2017.	Achieved The CBE received an unqualified audit report for 2015/16 financial year.	None	None

Programme 1: Linking performance with budget

Programme /activity/ objective	2016/17			2015/16		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Number of MoAs on incorporating health and safety, environmental sustainability, labour intensive construction and IDMS into BE academic curricula.	496	466	30	649	355	294
1.2 Enhanced internal control of the support services of the CBE.	577	656	(79)	0 ³	0	0
1.3 Efficient and effective Knowledge management of the IT services.	0	0	0	0 ³	0	0
1.4 Reduced irregular expenditure baseline.	0	0	0	0 ³	0	0
1.5 Clean audit.	0	0	0	0 ³	0	0

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

3.2 Programme 2: Skills for Infrastructure Delivery

The purpose of this Programme is to drive and facilitate skills development and transformation within the BE. This programme is responding to the following mandate of the CBE:

- Section 3(c) promote ongoing human resource development in the built environment

Programme 2 contributes to Outcome 5 (a skilled and capable workforce to support an inclusive growth path) through the following initiatives:

- Strategic Infrastructure Projects (SIPs),
- Maths and Science support programme, and
- The placement and support of BE candidates and interns in work places for structured training.

For the 2016/17 APP, Programme 2 had six annual targets, all of which were achieved, as detailed below:

3.2.1 *Three BEPs categories developed the Implementation Project Plan to support the production of two high demand BEPs skills categories (Land and Engineering Surveyors, and Geographic Information Systems [GIS] professionals) for the SIPs project by 31 March 2017- Achieved.*

In the 2013/14 financial year, the CBE was appointed by the Department of Higher Education and Training (DHET) as the convener and coordinator of occupational teams for professionals and associate professionals in the BE to support the technical skills resourcing of the planned and ongoing 18 SIPs. A report, highlighting the scarce skills and designated professions in the BE, was submitted to DHET for final submission to the Presidential Infrastructure Coordinating Commission (PICC).

The goal of the project is to have an adequate number of BEPs with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs. The occupational teams, working through the councils for the professions, determined the number of people with the required occupational skills in both the workforce as well as those unemployed. The occupational teams then determined which occupations were not being developed at the requisite rate to meet the demand.

The target was achieved. The final project plan for the production and development of two high demand BEPs skills categories was completed successfully after a final input workshop during March 2017. The feedback received from all stakeholders was positive, and the Geomatics Council representatives accepted the 21 SIPs Steps as a way of increasing the number of identified professionals. It could also expand the final project output.

The CBE attended an Intermediate Body meeting on 23 March 2017, where the focus was on expanding the BE Professions in all nine Provinces. This view was received positively by the meeting.

3.2.2 *450 learners from a pool of Grade 10-12 learners enrolled in the Maths and Science support programme by 31 March 2017- Achieved.*

This project aims to increase the number of disadvantaged learners who can benefit from improved Maths and Science results to afford them opportunities to enter BE careers. CBE aims to accomplish this through partnerships with credible service providers, capable of delivering improved Maths and Science results in rural areas. The target was achieved after 450 learners registered to participate in the CBE Maths and Science support programme in the Durban (KwaZulu-Natal), Port Elizabeth (Eastern Cape) and Nelspruit (Mpumalanga) Education Districts.

The following table indicates the end-of-year pass rate in the three provinces.

Table 5: Maths and Science results in Mpumalanga, KwaZulu-Natal and Eastern Cape Provinces

Mpumalanga	Percentage pass rate
Maths	90
Science	92
KwaZulu-Natal	
Maths	99
Science	100
Eastern Cape	
Maths	41
Science	82.7

Source: CBE fourth quarter report, 2016/17

3.2.3 50 candidates/BE graduate in workplace training by 31 March 2017 - Achieved.

This project aims to ensure that BE candidates achieve maximum professional development and professional registration in the shortest possible time by:

- Conducting workplace assessments and accreditation;
- Drawing up a generic training plan for the profession, in alignment with the CBEP competency profile;
- Drawing a detailed training plan for each candidate; and
- Preparing mentors (through workshops), to conduct a formative assessment of each outcome, according to the South African Qualifications Authority's (SAQA's) requirements.

The target was achieved. The CBE placed all 50 candidates and kick-started the programme with the majority of them having had their first face-to-face contact session with their individually assigned mentors.

3.2.4 100 interns placed for work-integrated learning by 31 March 2017– Achieved.

The aim of this project is to collaborate with UoTs to place students who need to complete work integrated learning (i.e. Practical 1 and 2) in order to graduate. The CBE also monitors and evaluates the workplace training of these interns. This target was achieved when 200 interns were placed in 2016/17 financial year.

The reason for the variance was that CBE's partnerships with UoTs and host employers worked very well, which made it possible to place a total of 200 interns, a hundred more than the annual target. Another reason for the variance was the additional funds received. CBE mentored a total of 104 interns from various built environment studies, all of whom were exposed to the minimum outcomes required by the UoT. All Engineering interns in the Work Integrated Learning (WIL) programme have completed and are due to graduate with their National Diploma, while all Building Science and Architectural technology interns have completed and moved on to the next year of study.

The programme has seen an increased number of private companies taking interest in training interns, resulting in CBE concluding MoAs with three more companies for placements.

Passenger Rail Agency of South Africa (PRASA) has decided to start a candidacy programme for previously unemployed graduates who participated in CBE's WIL programme, under CBE's supervision. Three host employer companies have offered their interns full time employment upon graduation. This programme is starting to yield some benefits of curbing unemployment.

3.2.5 Report on accredited programmes and institutions, submitted to the Built Environment Matters Committee (BEMC), by 31 March 2017 – Achieved.

Programme accreditation forms an important component of increasing university throughput of BE graduates who have the relevant knowledge base to practice in the South African BE. The councils for the professions are empowered by their respective Acts to accredit BE academic programmes and institutions. The CBE exercises an oversight role, derived from the CBE Act, to ensure that the BE academic programmes at tertiary institutions (traditionally Universities and UoTs) meet the quality assurance requirements of the CHE. It has thus developed a BE accreditation oversight framework programme, based on the CHE's 19 Accreditation Criteria principles, to be implemented by CBEP during accreditation.

The requirements for this project are:

- The six councils for the professions submit their yearly accreditation schedule to the CBE;
- The CBE accompanies the CBEP on their accreditation visits; and
- A report to BEMC on the outcomes of the accreditation visits.

The CBE participated in 13 accreditation visits in the financial year under review.

The target was achieved. A report on accreditation of academic programmes and academic institutions by the CBEP was completed. During the reporting period, the following accreditation activities were undertaken by the CBEP:

ECSA

- | | | |
|--|--------------------|---------------|
| • North West University | 29/30 August 2016 | Regular visit |
| • University of Johannesburg (Engineering) | 1/2 September 2016 | Regular visit |
| • University of Johannesburg (Technology) | 5/6 September 2016 | Regular visit |
| • Cape Peninsula University of Technology | 2/3 October 2016 | Regular visit |
| • University of KwaZulu-Natal | 4/5 October 2016 | Interim visit |

SACAP

- One scheduled accreditation visit to the University of Pretoria during February 2017.
- Three further visits are planned for the 2017 academic year to:
 - University of Free State in April 2017
 - University of Namibia in May 2017, and
 - Tshwane University of Technology during August 2017.

SACLAP

- Two scheduled accreditation visits to:
 - University of Pretoria during February 2017, and
 - University of Cape Town during March 2017.

No further visits are planned for the 2017 academic year.

SACPVP

- One scheduled visit to the University of the Witwatersrand during March 2017.
- Two visits are scheduled for:
 - University of Cape Town in May 2017, and
 - University of Free State in August 2017.

SACQSP

- One scheduled accreditation visit to Mangosuthu University of Technology during March 2017.

No further accreditation visits are scheduled for the 2017 academic year to date.

Table 6: Learning Programmes evaluated

CBEP	Name of Institution	Qualification	Accreditation outcome
SACAP	University of Pretoria	BSc Landscape Architecture BSc Landscape Architecture Honours Masters Landscape Architecture Professional	All three learning programmes received full accreditation.
SACLAP	University of Pretoria	BSc Landscape Architecture BSc Landscape Architecture Honours Masters Landscape Architecture Professional	All three learning programmes received full accreditation.
	University of Cape Town	Masters Landscape Architecture Professional	The learning programme received full accreditation.
SACPVP	University of the Witwatersrand	BSc in Property Studies Post Grad in Property Studies MSc Prop Dev	The learning programme received full accreditation.
SACQSP	Mangosuthu University of Technology	N. Dip. In Building Science	Full accreditation with a few recommendations for remedial work on the said learning programme before a follow up is planned in future.

Source: CBE fourth quarter report, 2016/17

3.2.6 Developed transformation strategy for the BEPs by 31 March 2017 – **Achieved.**

The overall aim of the project is to refine and update the CBE's 2013 Transformation Model and Action Plan to reach a unified Transformation Strategy for the CBEP. This will be achieved through:

- Consolidating findings from the baseline study with the 2013 proposed Transformation Model and Action Plan through active participation and involvement of the CBEP (and other key role-players);
- Constituting a Transformation Steering Committee (TSC), representative of key role players and contributors, to actively drive the refined transformation strategy in the interim; and
- Identifying problem areas in need of redress and potential "quick wins" or "low hanging fruit" (enabled through the baseline study and situational analysis) which will be work shopped by the TSC in order to design feasible interventions.

The target was achieved. The Transformation Strategy was developed and circulated among all stakeholders.

Programme 2: Strategic objectives, performance indicators, planned targets and actual achievements

Programme/activity/objective: Drive and facilitate skills development and transformation within the BE.					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Drive and facilitate skills development and transformation within the BE.	Five	Seven	Seven	A positive variance of 100 was achieved.	The reason for the variance was that CBE's partnerships with UoTs and host employers worked very well, which made it possible to place more. Another reason for the variance was the additional surplus funds approved and utilised.

Programme 2: Key performance indicators, planned targets and actual achievements

Programme/activity/objective: Drive and facilitate skills development and transformation within the BE					
Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
2.1 Number of high demand skills professions categories developed for SIPs.	Achieved The project plan for the production and development of three high demand BEPs skills, identified for SIPs (Engineers, Quantity Surveyors, and Construction and Project Managers), was developed.	Three BEPs categories developed the Implementation Project Plan to support the production of two high demand BEPs skills categories (Land and Engineering Surveyors, and GIS professionals for the SIPs project by 31 March 2017.	Achieved Three BEPs categories developed the Implementation Project Plan to support the production of two high demand BEPs skills categories (Land and Engineering Surveyors, and GIS professionals for the SIPs project by 31 March 2017.	None	None
2.2 Number of students enrolled in the Maths and Science support programme.	Achieved 150 students reached through the roll out of the Maths and Science support programme by 31 March 2016.	450 learners from a pool of Grade 10-12 learners enrolled in Maths and Science support programme by 31 March 2017.	Achieved 450 learners from a pool of Grade 10-12 learners enrolled in Maths and Science support programme in the Durban (KwaZulu-Natal), Port Elizabeth (Eastern Cape) and Nelspruit (Mpumalanga) Education Districts.	None	None
2.3 Number of candidates/BE graduates placed for workplace training.	Achieved 60 candidates were placed.	50 candidates/ BE graduate in workplace training by 31 March 2017.	Achieved 50 candidates were placed.	None	None

Programme/activity/objective: Drive and facilitate skills development and transformation within the BE					
Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
2.4 Number of interns placed for workplace training.	Achieved 154 interns were placed.	100 interns placed in Work Integrated Learning by 31 March 2017.	Achieved 200 interns were placed.	Target exceeded. A positive variance of 100 was achieved.	The reason for the variance was that CBE's partnerships with UoTs and host employers worked very well, which made it possible to place more. Another reason for the variance was the additional funds received.
2.5 One project on accreditation of BE academic programmes and institutions.	Achieved The report on the accredited academic programmes and institutions was submitted to BEMC by 31 March 2016.	Report on accredited programmes and institutions, submitted to BEMC by 31 March 2017.	Achieved A report on accreditation of academic programmes and academic institutions by the CBEP was completed.	None	None
2.6 Number of Transformation initiatives within BEPs.	None	Developed transformation strategy for the BEPs by 31 March 2017.	Achieved The Transformation Strategy was developed.	None	None

Programme 2: Linking performance with budgets

Programme/ activity/ objective	2016/17			2015/16		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Number of high demand skills professions categories developed for SIPs.	90	12	78	90	251	(161)
2.2 Number of students enrolled in the Maths and Science support programme	200	2 832	(2 632) ⁴	1 455	2 515	(1 060)
2.3 Number of candidates/ BE graduates placed for workplace training.	1 050	392	658	1 418	2 416	(998)
2.4 Number of interns placed for workplace training.	3 009	4 576	(1 567) ⁵	3 235	4 257	(1 022)
2.5 One project on accreditation of BE academic programmes and institutions.	153	74	79	240	280	(40)
2.6 Number of Transformation initiatives within BEPs.	423	339	90	-	-	-

4. Expenditure of R2 204 was incurred with approved surplus funds of the 2014/15 financial year.

5. Expenditure of R 1 567 was incurred with approved surplus funds of the 2014/15 and 2015/16 financial year.

3.3 Programme 3: BE Research, Information and Advisory

The objective of this Programme is to provide informed and researched advice to Government on BE priority matters identified in the MTSF. This programme is responding to the following mandate of the CBE:

- Section 3(d) facilitate participation by the built environment professions in integrated development in the context of national goals.

Programme 3 contributes to DPW's Outcome 4, 6 and 12 by entering into partnerships with Government and state owned entities (SOEs) to facilitate researched BE capacity-building programmes for the public sector. CBE's other partnerships will contribute towards initiatives that strengthen labour intensive techniques.

Programme 3 had four annual targets in the 2016/17 APP, which performed as follows:

3.3.1 Three partnerships to support BE technical capacity within municipal, Provincial and National departments, implemented by 31 March 2017 - *Achieved.*

This project is informed by the CBE's survey on the number of BEPs employed at municipalities, and Provincial and National departments. During the engagements for data collection with the various departments, other areas emerged in which CBE could provide support in building the technical BEP capacity of Government.

This project is rooted in CBE's support for public sector BEP capacity building. Its significance is in the assistance to infrastructure departments concerning their internal requisite technical skills to enhance quality in infrastructure delivery. Overall, this will improve Government's service delivery to the communities. The project further supports the existing capacity building initiatives by the municipalities, provincial and national departments.

The target was achieved. Final reports on the implementation plans of the partnerships have been developed.

Partnerships have been formalised with the stakeholders mentioned below, and the following outlines progress on the implementation plans:

Partnership 1 - The Defence Formation Unit of the National DoD

The MoA was signed in December 2016. As part of the implementation plan, the following activities have been undertaken:

1. Meeting with DPW and Defence Formation Unit to ensure alignment of support initiatives.
2. Meeting with DoD and DPSA to clarify issues relating to the OSD, as part of recruiting BEPs for the Defence Formation Unit.
3. CBE delivered a presentation at the Defence Formation Symposium.
4. Continuous advice to the Defence Formation Unit on their recruitment process.

Partnership 2 – MISA

The MoA was signed in September 2016 and the implementation plan was finalised in December. A consensus was reached during engagements that the Human Capital Unit of DPW would play an effective role in realising the objectives of the partnership. As a result, DPW is a co-signatory in the CBE/MISA MoU.

Partnership 3 - Eastern Cape DPW

A MoA was signed with the Eastern Cape DPW during the second quarter. A follow up meeting was held in the last quarter to discuss the challenges of professional registration for the Department's technical officials. It was further proposed that the implementation plan would be amended to incorporate aspects of the OSD and SIPDM.

In line with this partnership, continuous engagements were held with the DPW provincial departments of Limpopo and Mpumalanga on issues relating to the attraction and retention of technical skills, professional registration of officials (facilitation of meetings with relevant councils for the professions), and implementation of the OSD.

3.3.2 One partnership with the Office of Chief Procurement Officer (OCPO) on the SIPDM programmes to support infrastructure delivery in the public sector by 31 March 2017 – *Achieved.*

This project forms part of the CBE's response to support the technical capacity of both national and private sector for infrastructure delivery. The main objective of the project is to establish a partnership with the OCPO to support improved delivery of infrastructure and asset management, whilst promoting the IDMS amongst BEPs. The partnership with the OCPO will enable the CBE to advise Government on issues relating to, amongst others, the implementation of the IDMS by infrastructure departments, regulation of fees and other procurement issues impacting the BE. This partnership is also based on the previous research undertaken by the CBE on issues pertaining to infrastructure procurement and those that impact on the BEPs. The partnership seeks to facilitate the effective implementation of the IDMS and SIPDM, and forms part of CBE's response to strengthening technical capacity in both the public and private sector for infrastructure delivery. The DPW has a mandate to oversee the delivery of infrastructure and asset management of the country; hence, this partnership with the OCPO will place the CBE at an advantage to advise the Minister on the challenges related to procurement and other processes.

The target was achieved. The MoA (including an implementation plan), was signed between CBE and the OCPO. The steering committee tracked progress on the implementation plan and the way forward. As part of the implementation plan, the CBE participated in the various provincial awareness campaigns on the implementation of the SIPDM by provincial infrastructure departments and municipalities. One of the notable outcomes is that the SIPDM forces the departments to involve BEPs in the procurement and delivery of infrastructure. The role of CBE in supporting the departments and municipalities in attracting and retaining the BE skills is elevated. This includes facilitation of registration of existing BE skills within the public sector.

3.3.3 Advisory report on the implementation of OSD by DPW National and Provincial departments to attract and retain BEPs, developed by 31 March 2017 - *Achieved.*

This project is another component of initiatives that seek to promote the attraction and retention of technical skills capacity issues within the public sector. A critical analysis of the OSD on Engineering and related qualifications was undertaken on whether it enhances or hinders the attraction and retention of BEPs within the public sector, with specific focus on the DPW's Provincial departments. The project seeks to facilitate engagements with DPSA on the current OSD regime and how it can support the skills development initiatives implemented in DPW National and Provincial departments, to attract and retain BE skills in the public sector.

The target was achieved. An advisory report was developed and discussed with DPSA. The CBE continuously provides advice to the various departments, and facilitates necessary engagements with the DPSA on issues relating to implementation of the OSD. One of the challenges that have been identified in the engagements is the lack of human capacity within the DPSA to provide effective support to the infrastructure departments on the application of the OSD.

3.3.4 One MoA with Expanded Public Works Programme (EPWP) / International Labour Organization (ILO) on programmes to promote labour intensive practices in the BE projects, by 31 March 2017 - *Not Achieved.*

This project is a component of initiatives that seek to create awareness for BEPs on the application of labour intensive practices in infrastructure delivery, to ultimately contribute to job creation in the BE sector. The partnership with EPWP/ILO was established to draw lessons from various projects, of both small and big construction projects. This project will also facilitate mechanisms to ensure that Government’s infrastructure and construction project contracts incorporate requirements of labour intensive construction and contribute to job creation opportunities. It will also facilitate the inclusion of labour intensive techniques into BE curricula and CPD programmes.

The annual target was not achieved. During the reporting period, the MoA and implementation plan was developed and signed by CBE and submitted to the EPWP/ILO for signature. Follow ups established that the MoA has not been signed. This project has encountered delays due to non-response from EPWP. CBE’s signed copies were submitted to EPWP/ILO for their signatures.

Programme 3: Strategic objectives, performance indicators, planned targets and actual achievements

Programme/activity/objective: To provide research, knowledge and information on BE issues pertinent to professionals, DPW, service delivery and those impacting on the economy.					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
To provide research, knowledge and information on BE issues pertinent to BE professionals, DPW, and BE issues impacting on service delivery and the economy.	Four	Four	Three	One target was not achieved. The reason for non-achievement was due to external dependency. The MoA was not signed by EPWP/ILO.	The CBE has forwarded the document to DPW and is engaging the Department for the signature.

Programme 3: Key performance indicators, planned targets and actual achievements

Programme/activity/objective: To provide research, knowledge and information on BE issues pertinent to professionals, DPW, service delivery and those impacting on the economy.					
Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
3.1 Number of initiatives on BE professionals employed at municipal, and Provincial and National departments.	Achieved	Three partnerships to support BE technical capacity within municipal, and Provincial and National departments, implemented by 31 March 2017.	Achieved Three partnerships to support BE technical capacity within municipal, and Provincial and National departments, implemented by 31 March 2017.	None	None
3.2 Number of Initiatives to support infrastructure delivery in the public sector.	-	One partnership with the Office of the Chief Procurement Officer on the SIPDM to support infrastructure delivery in the public sector by 31 March 2017.	Achieved The MoA (including an implementation plan), was signed between CBE and the OCPO.	None	None
3.3 Number of advisory reports on the implementation of the OSD by DPW National and Provincial departments to attract and retain BEPs.	Achieved An advisory report was developed.	Advisory report on the implementation of OSD by DPW National and Provincial departments to attract and retain BEPs, developed by 31 March 2017.	Achieved An advisory report was developed and discussed with DPSA. The CBE continuously provides advice to the various departments, and facilitates necessary engagements with the DPSA on issues relating to implementation of the OSD.	None	None
3.4 Number of partnerships to promote labour intensive construction practices in BE projects.	Not achieved	One MoA with EPWP/ILO on programmes to promote labour intensive practices in BE projects by 31 March 2017.	Not achieved	The MoA and implementation plan was developed, signed by CBE, and submitted to DPW. The CBE is awaiting signature by EPWP/ILO.	The CBE is engaging the Ministry to obtain the approval.

Programme 3: Linking performance with budgets

Programme/ activity/ objective	2016/17			2015/16		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Number of initiatives on BE professionals employed at municipal, and Provincial and National departments.	338	334	4	1 658	318	1 340
3.2 Number of initiatives to support infrastructure delivery in the public sector.	105	4	101	0	0	0
3.3 Number of advisory reports on the implementation of the OSD by DPW National and Provincial departments to attract and retain BEPs.	100	48	52	103	70	33
3.4 Number of partnerships to promote labour intensive construction practices in BE projects.	41	29	12	153	131	22

3.4 Programme 4: Regulation and Oversight of six councils for the built environment professions

The objective of Programme 4 is for the CBE to act as an appeal body on matters of law referred to it in terms of legislation regulating the BEPs, and to promote and enhance high standards of professional ethics within the BE.

This Programme is responding to the following mandate of the CBE:

- Section 20 and 21 of the CBE Act 43 of 2000.

Programme 4 contributes indirectly to DPW's Outcome 12 (efficient, effective and development-oriented public service). The CBE contributes towards this outcome by facilitating the capacity building of the six councils for the professions through corporate governance, PFMA compliance and strategic planning.

For the 2016/17 APP, Programme 4 had seven annual targets. The Programme achieved six targets, out of seven, that were planned for the year. The non-submission of Strategic Plans and APPs on time by the CBEP was the reason for the non-achievement of the one target.

3.4.1 100% finalisation of appeals within the statutory 60 days – Achieved.

The aim of this target is to protect public interest by hearing all appeals within 60 days of lodgement, as prescribed in terms of section 21 of the CBE Act. According to section 4(m) of the Act, the CBE is empowered and obliged to hear an appeal lodged by a party, aggrieved by the decision of a council for the professions in terms of the professions Act. Section 21 stipulates that any person, who is aggrieved by a decision of any of the councils for the professions, may, upon payment of the prescribed fee and within 30 days from that person becoming aware of such decision, appeal to the council in writing and the council must consider and decide the appeal. An Appeal Committee is appointed on an *ad hoc basis* in terms of the provisions of section 21 of the Act when an appeal is lodged to conduct appeals and to decide the appeal within 60 days of lodgement.

The target was achieved. All appeals lodged in the financial year were decided within the statutory period of 60 days. The Policy on Conducting Appeals was reviewed, and Council approved the revisions on 24 November 2016.

3.4.2 Report on the facilitation of engagement between the Competition Commission with BE professional bodies , by 31 March 2017– Achieved.

Section 20 of the Act requires that the CBE, after consultation with the Competition Commission (CC) and in consultation with the councils for the professions, identify the scope of work for every category of registered persons. The effect of this process (referred to as IDoW) will be that, with limited exceptions, only registered persons would perform all identified work. Earlier consultation with the CC solicited its decision that an IDoW exemption application is submitted for each council for the professions. The CC rejected the exemption applications.

The CBE continued to seek to engage the CC on reaching an amicable resolution on the rejected exemption applications, but attempts to set up a discussion platform with the CC was not successful. The CBE has instructed attorneys to proceed with an appeal and/or review of the CC's decisions to reject the CBE's exemption applications. As a final attempt to avoid litigation, the CC was requested in writing to allow for the re-submission of the exemption applications, addressing the concerns of the CC. Should this attempt fail, litigation will be proceeded with on procedural grounds.

The councils for the professions were engaged on the developments. The target was achieved. A report on engagement with BE professional bodies on the IDoW exemption applications was developed.

3.4.3 Final report on the progress made by the six BEPCs on the implementation of the Corporate Governance Framework, submitted to Council and DPW, by 31 March 2017 – Achieved.

The objective of this project is to enhance corporate governance compliance by the six councils for the professions. Upon determining the level of compliance, the project aims to develop strategies to improve these in each of the councils for the professions. Section 3 (f) of the CBE Act impels the CBE to promote sound governance of the BEPs, thus it developed a Corporate Governance Framework to assist the assessment of compliance in the councils for the professions towards enhancing good governance in their operations.

The target was achieved. A report was submitted to DPW and BEMC (as delegated by Council) on the status of compliance with corporate governance principles, as reflected in the Corporate Governance Framework by the six councils for the professions. High-level comments on the general state of governance at the CBEP were also made in the report.

There has been significant improvement by the councils for the professions on the implementation of the Corporate Governance Framework, especially by the larger ones, whilst the smaller ones have cited the lack of resources for their inability to implement the Corporate Governance. One of the methods proposed to alleviate financial constraints is to share services where feasible.

The CBE noted a number of complaints on the failure by the councils for the professions to process applications for information and their non-compliance with orders of the Appeals Committee. These shortcomings may be due to a lack of awareness of their duties imposed by their own legislation, as well as legislations that give effect to the Constitution.

To ensure adherence to the prescripts of legislations that give effect to the Constitution, the CBE will provide training to officials of the councils for the professions on the provisions of legislation promulgated to give effect to constitutional rights. The training will be a workshop to interrogate the following legislations:

1. Promotion of the Administrative Justice Act (PAJA) (No 3 of 2000)
2. Promotion of Access to Information Act (PAIA) (No 2 of 2000)
3. Protection of Personal Information Act, (POPI) (No 4 of 2013).

3.4.4 Three workshops to facilitate the alignment of the Ministerial approved BE policy frameworks by the six BEPCs by 31 March 2017 – Achieved.

This project envisages an implementation programme of the Ministerial approved BE policy frameworks and their translation into rules by the six councils for the professions. One of CBE's mandates is to ensure the uniform and consistent application of norms and guidelines for the councils for the professions. Thirteen concurrent functions were identified, requiring the alignment of policies between the CBEP, CBE and DPW (on behalf of the Minister). DPW, in conjunction with the CBE, has developed seven policy frameworks on norms and standards to be applied to each concurrent mandate, which are:

1. Accreditation of Built Environment Programmes Policy
2. Professional Registration Policy
3. Code of Conduct Policy
4. Competence Testing of Registered Persons Policy
5. Tribunal and Appeals Policy
6. International Agreement Policy

7. Recognition of New Professions

The target was achieved. Through workshops, CBE presented and engaged the councils for the professions on the seven (ministerial approved) policy frameworks. The purpose of the workshops was to attain a common understanding of the content of the frameworks and terminology used in order to facilitate the alignment of the CBEP policies with the policy frameworks. The councils for the professions are expected to align their respective policies with the policy frameworks approved by the Minister and/or translate the policy frameworks into policy.

The CBE will submit an assessment report to DPW on the alignment of the councils for the professions with the seven approved policy frameworks in the 2017/18 financial year.

3.4.5 Submission of the six BEPCs PFMA compliance report to DPW by 31 March 2017 – Achieved.

The Minister, through DPW, circa 2009 expressed the expectation that the councils for the professions should develop a roadmap to compliance with the provisions of the PFMA. The purpose behind this expectation is the enhancement of good governance by the councils for the professions. One of the statutory objectives of the CBE is, in terms of section 3(f) of the CBE Act, to promote sound governance of the built environment professions.

The CBE, in the previous financial year, identified the development of roadmaps towards PFMA compliance as a target in its APP. Accordingly, a compliance checklist was developed and availed to the councils for the professions in order to assess their progress on PFMA compliance. A completion of the checklist allowed the CBE to assess progress made by the councils for the professions towards compliance with the provisions of the PFMA, challenges experienced and a way forward.

The target was achieved. A report on six councils for the professions PFMA compliance was submitted to DPW. The CBEP have also noted that they are not listed under Schedule 2 or 3 of the PFMA and have questioned the applicability of the PFMA to themselves. Entities listed under Schedule 2 and 3 have a mandatory prerequisite to comply with the provisions of the PFMA. The CBEP have requested the CBE to facilitate a workshop on PFMA compliance with National Treasury and DPW to interrogate the extent of its applicability to themselves; whether it is mandatory or it should be considered only as a code of good practice. This workshop will be facilitated in the first quarter of the 2017/18 financial year.

3.4.6 Submission of the six BEPC's Strategic Plans, APPs and Annual Reports submitted to DPW 31 March 2017 – Not Achieved.

This project seeks to ensure that the six councils for the professions, on their path towards compliance with the PFMA, are compliant with the statutory requirements of Government-wide budgeting and planning/reporting requirements. It means that their Strategic Plans and Annual Reports must be complaint with statutory requirements and Government priorities in the BE.

The target was not achieved. Consultation took place during the Registrar's Forum in the four quarters of the 2016/17 financial year. All councils for the professions were requested to submit their APP and Strategic Plans to the CBE before the end of March 2017. To date the CBE received documents from ECSA, SACAP, SACPCMP and SACLAP. With the exception of SACLAP, documents are not approved. Hence, CBE is awaiting approved documents from the councils for the professions. The CBE is working with all the CBEP to finalise their documents in the first quarter of 2017/18.

3.4.7 Oversight report on the implementation of the CBE Monitoring and Evaluation Framework by BEPCs, submitted to Council and DPW by 31 March 2017 – Achieved.

The objectives of the project are to guide the monitoring and reporting processes on the 13 functions of the CBE and councils for the professions through:

- Assisting councils for the professions to submit their quarterly reports, annual reports, Strategic Plans and APPs as per agreed time lines;

- Assisting the councils for the professions to comply with all statutory reporting requirements for programme performance information, as well as laying the foundations for audits of non-financial information;
- Synchronising the planning and reporting processes of CBE and the councils for the professions with the performance management and reporting systems of Government, located within the Government-wide Monitoring and Evaluation Framework;
- Developing a monitoring and reporting system on the 13 public functions and programmes and projects of the CBEP, aligned to developmental priorities of Government; and
- Revising the monitoring and reporting templates of the 13 functions.

The target was achieved. The final oversight report on the implementation of the Monitoring and Evaluation Framework by the councils for the professions was developed and submitted to DPW. The councils for the professions have complied with the set date for the submission of their annual and quarterly reports to CBE. The six councils for the professions are generally at differentiated levels of compliance with the National Treasury format and information requirements for their annual reports. The requirements for the submission of annual reports are embedded in CBE Act and in the six councils for the professions Acts. All of the six councils for the professions complied with submission dates to DPW and Parliament for their annual reports.

Regarding their APPs and Strategic Plans, the CBE received draft documents from ECSA, SACAP, SACLAP, and SACPCMP; and is working with the remaining councils for the professions to finalise their documents. The CBE is working with the councils for the professions to ensure total compliance with the planning and reporting requirements of Government. Those councils for the professions experiencing financial constraints ultimately present a challenge to CBE achieving its deliverables.

Programme 4: Strategic objectives, planned targets and actual achievements

Programme/activity/objective: To act as an appeal body on matters of law regulating the BEPs, and to promote and ensure high standards of professional ethics and conduct within the built environment.					
Strategic objectives	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
To act as an appeal body on matters of law regulating the BEPs, and promote and ensure high standards of professional ethics within the BE.	Six	Seven	Six	One target was not achieved. The reason for the non-achievement was that the CBEP did not submit their Strategic Plans and APPs on time to allow for a submission to DPW by CBE.	The CBE is working with the six councils for the professions to finalise their documents in the first quarter of 2017/18.

Programme 4: Key performance indicators, planned targets and actual achievements

Programme/activity/objective: To act as an appeal body on matters of law regulating the BEPs, and to promote and ensure high standards of professional ethics and conduct within the built environment.					
Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
4.1 Percentage of appeals submitted to CBE by persons aggrieved by decisions of the six councils for the professions, finalised within statutory 60 days from lodgement.	Achieved All appeals received were finalised within statutory 60 days.	100% finalisation of appeals within the statutory 60 days by 31 March 2017.	Achieved All appeals lodged in the financial year were decided within the statutory period of 60 days.	None	None
4.2 Implementation report of the CC decision on the IDoW exemption applications for the six councils for the professions.	Achieved The report was submitted to Council.	Report on the facilitation of engagement between the Competition Commission with BE professional bodies , by 31 March 2017.	Achieved A report on engagement with BE professional bodies on the IDoW exemption applications was developed.	None	None
4.3 Report on the implementation of Corporate Governance compliance by six councils for the professions.	Achieved The report was submitted to Council.	Final report on the progress made by the six BEPCs on the implementation of the Corporate Governance Framework, submitted to Council and DPW, by 31 March 2017.	Achieved A report was submitted to DPW and BEMC (as delegated by Council) on the status of compliance with corporate governance principles, as reflected in the Corporate Governance Framework by the six councils for the professions.	None	None
4.4 Number of workshops to facilitate the alignment of Ministerial approved BE policy frameworks by the six councils for the professions.	Achieved Implementation programmes on the translation of four Ministerial approved BE policies into rules by the councils for the professions was submitted.	Three workshops to facilitate the alignment of the Ministerial approved BE policy frameworks by the six BEPCs by 31 March 2017.	Achieved The CBE presented and engaged the councils for the professions on the seven (ministerial approved) policy frameworks.	None	None

Programme/activity/objective: To act as an appeal body on matters of law regulating the BEPs, and to promote and ensure high standards of professional ethics and conduct within the built environment.

Performance Indicator	Actual Achievement 2015/16	Planned Target 2016/17	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/17	Comment on deviations
4.5 Oversight role on PFMA compliance by the six councils for the professions.	Achieved The PFMA roadmap was developed and submitted to BEMC.	Submission of the six BEPCs PFMA compliance report to DPW by 31 March 2017.	Achieved A report on six councils for the professions' PFMA compliance was submitted to DPW.	None	None
4.6 Number of Strategic Plans, APPs and annual reports of the six councils of the professions submitted to DPW.	Not Achieved Only annual reports were submitted.	Six BEPC's Strategic Plans, APPs and annual reports submitted to DPW 31 March 2017.	Not Achieved	The target was not achieved. The reason for the non-achievement was that the councils for the professions did not submit their Strategic Plans and APPs on time to allow for a submission to DPW by CBE.	The CBE is working with the six councils for the professions to finalise their documents in the first quarter of 2017/18.
4.7 Adoption and implementation by the six councils of the professions of a CBE all encompassing Monitoring and Evaluation Framework.	Achieved CBEP adopted the framework.	Oversight report on the implementation of an all-encompassing CBE Monitoring and Evaluation Framework by BEPCs, submitted to Council and DPW by 31 March 2017.	Achieved The final oversight report on the implementation of the Monitoring and Evaluation Framework by the councils for the professions was developed and submitted to DPW.	None	None

Programme 4: Linking performance with budgets

Programme/ activity/ objective	2016/17			2015/16		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Percentage of appeals submitted to CBE by persons aggrieved by decisions of the six councils for the professions, finalised within statutory 60 days from lodgement.	298	237	61	316	295	21
4.2 Implementation report of the CC decision on the IDoW exemption applications for the six councils for the professions.	454	357	97	48	70	(22)
4.3 Report on the implementation of Corporate Governance compliance by six councils for the professions.	0 ³	0	0	2	9	(7)
4.4 Number of workshops to facilitate the alignment of Ministerial approved BE policy frameworks by the six councils for the professions.	6	3	3	5	0	5
4.5 Oversight role on PFMA compliance by the six councils for the professions.	0 ³	0	0	17	17	0

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

Programme/ activity/ objective	2016/17			2015/16		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.6 Number of Strategic Plans, APPs and annual reports of the six councils for the professions submitted to DPW.	0 ³	0	0	0	0	0
4.7 Adoption and implementation by the six councils for the professions of a CBE all encompassing Monitoring and Evaluation Framework.	0 ³	0	0	0	0	0

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

4. TRANSFORMATION INITIATIVES

Maths and Science support programme

The CBE undertook the Maths and Science support programme during the 2016/17 financial year. The programme is aimed at enabling and initially assisting learners (in Grade12) from disadvantaged communities in KwaZulu-Natal, Mpumalanga and Eastern Cape to obtain better grades in both Maths and Science subjects in order to attract them into built environment professions. The overall percentage pass rate of learners who were enrolled in the programme was 60,71% for Maths and 59,75% for Science.

Structured Candidacy programme

The CBE is implementing the Structured Candidacy Programme with the aim of offering young, black people an opportunity to undergo a structured mentorship programme leading to a professional registration with a relevant statutory council. The Structured Candidacy Programme training fields are: Engineering (Civil, Electrical and Mechanical), Quantity Surveying, Architectural Services, Landscape Architectural, Construction Project Management, Property Valuations and Town Planning.

Intern and Candidate Placement

The Workplace Training Programme was initiated to oversee quality workplace training of built environment candidates and interns, using the CBE developed quality assured structured candidacy framework. A total of 50 candidates are participating in the Workplace Training programme, and all are currently placed with host workplace training employers. A total of 200 interns are currently placed with host workplace training employers.

Current transformation status and efforts in CBEP

Tables 7-9 below reflect the race and gender statistics in the professional registration categories in the CBEP.

Table 7: Racial balances in professional registration categories in the councils for the professions in 2015

CBEP	African		Indian		Coloured		White		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
ECSA	4880	18	1727	6	558	2	20177	74	27342	100
SACAP	1192	14	562	7	582	7	5994	72	8330	100
SACLAP	1	1	2	1	1	1	167	98	171	100
SACPCMP	281	13	107	5	60	3	1759	80	2207	100
SACPVP	206	15	64	5	58	4	1063	76	1391	100
SACQSP	401	18	173	8	41	2	1651	73	2266	100

Source: CBE Baseline Study on Transformation in the Built Environment

Table 8: Transformation Trends between 2010 and 2015

CBEP	Registration Category	% African		% Female	
		2010	2015	2010	2015
ECSA	Professional	9	18	3	6
	Candidate	44	55	19	22
SACAP	Professional	33	14	18	21
	Candidate	34	30	28	31
SACLAP	Professional	0	1	47	47
	Candidate	19	15	53	49
SACQSP	Professional	13	18	12	18
	Candidate	51	53	26	34
SACPVP	Professional	9	15	14	20
	Candidate	36	41	31	35
SACPCMP	Professional	9	13	3	2
	Candidate	53	75	14	28

Source: CBE Baseline Study on Transformation in the Built Environment

Actual 2015 numbers for gender in each of the professional categories of the councils for the professions is depicted in Table 9 below, with the target of 50% female professionals:

Table 9: Female percentage in professional categories

CBEP	Female	Male	Total	Female Percentage
ECSA	1619	25723	27342	6
SACAP	1714	6616	8330	21
SACLAP	80	91	171	47
SACPCMP	51	2149	2200	2
SACPVP	282	1109	1391	20
SACQSP	412	1975	2387	17

Source: CBE Baseline Study on Transformation in the Built Environment

Current programmes, in place within the CBEP to encourage transformation, are outlined in the next table.

Table 10: Current transformation efforts in the councils for the professions

School level interaction	<p>Web-content: Website with edutainment material (ECSA Engenius project)</p> <p>DPW and CBE interaction: CBEP link with DPW and CBE school programmes; Mathematics project</p>
Tertiary Education (student focus)	<p>Student chapter: Create a student chapter of the council at each Accredited Learning Sites (ALS) offering the specific course</p> <p>Exhibitions: CBEP in collaboration with VAs organise exhibition of final year students' work</p> <p>Best student awards: Awards at each ALS recognising Historically Disadvantaged Individual (HDI) students' achievements</p>
Tertiary Education (Institution focus)	<p>Increase intake numbers: Ensure maximum number of student intake</p> <p>Accreditation: Ensure accreditation of all ALS are dealt with timeously in order to ensure that no student graduate from unregistered ALS.</p> <p>Part-time studies: Ensure variety of study options are available, increasing the number of students who are able to access tuition</p> <p>Bursaries: Ensure consistent bursaries over a number of years to HDI students in order to build a core group</p> <p>Bridging courses: Ensure that students who were denied access to studies based on high school marks have alternative opportunities to complete studies.</p> <p>HOD forum: Ensure HODs understand and support transformation goals and learn from each other's challenges.</p> <p>MoU with Universities: MoU with Universities on accessing private practice and government to ensure experiential placements</p>
Candidacies	<p>Student chapters: Use student chapter memberships to ensure placement in candidacy programmes for graduates</p> <p>Registration of private companies to host</p> <p>HOD forum: HOD forum linked to candidacy placements</p> <p>Logbooks: Electronic logbooks during candidacy, incremental logging</p> <p>Trained mentors: Ensure mentors are trained and rewarded through CPD system</p> <p>Placements: In some instances councils assist with placements where candidacies can be completed</p>
Professional examination	<p>Pre-examination workshops: Offering free pre-examination workshops to HDIs</p>
CPD	<p>CPD points: Mentoring qualifies for CPD points</p> <p>CPD point management: Electronic CPD point management system</p> <p>CPD options: Accessible CPD options/courses (online, at night, one day, conferences, geographical spread)</p>
Professional fees	<p>Ensure professional fees are reasonable and that all professionals are able to pay these fees</p>
Professional registration	<p>Review of registration policies: Several policies and registration requirements prevent councils from ensuring candidates and professionals are well managed; appeals are one example</p> <p>Deregistered professionals: Following up on deregistered professionals</p>
Recognition of Prior Learning	<p>This intervention targets skills practitioners who do not have academic qualifications but have acquired relevant skills in the built environment industry.</p>
Conferences	<p>Annual conferences: Conferences for professionals in all CBEP are held driving transformation, for instance SACAP's WiASA (Women in Architecture South Africa) Conference.</p>
Redefine Voluntary Association (VA) mandates on transformation	<p>VA mandates on transformation: VA need to receive a mandate on transformation.</p> <p>VA President's forum: VA presidents come together to discuss problems and transformation issues every 6 months</p>

5. SUMMARY OF FINANCIAL INFORMATION

The CBE receives its funding from National Treasury via DPW for its operations. During the reporting period, the CBE was able to meet all its administrative obligations with the allocated amount of R43.413 million. The CBE's baseline budget allocation covers operational costs and core business projects, which entails the cost of employment, occupational costs (office rental), audit fees, travel and accommodation expenses, bursary scheme, and consulting fees as the main cost drivers. The Council also receives a levy income from the councils for the professions who contribute R2.080 million for professionals and candidates registered with them.

5.1 Revenue Collection

The table below provides a breakdown of the sources of revenue:

Table 11: Sources of Revenue

Source of revenue	2016/17			2015/16		
	Estimate	Actual Amount Collected	(Over) / Under Collection	Estimate	Actual Amount Collected	(Over) / Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government grant from DPW	43 413	43 413	0	41 994	41 994	0
Levies received	2 000	2 080	(80)	1 953	1 841	112
Interest received	233	267	(30)	0	2	(2)
merSETA grant	0	0	0	0	0	0
Other operating income	15	678	(663)	0	620	(620)
Total	45 661	46 438	(777)	43 947	44 457	510

Reasons for the (Over) / Under collection

5.1.1 Government Grant from DPW

The grant income from DPW was received as budgeted.

5.1.2 Levies Received

The levy figures are subject to fluctuation as it solely depends on member's payments. The slight increase is due to an increase in memberships.

5.1.3 Interest Income

The CBE is currently optimising its revenue. The interest received was more due to the delay in certain projects, which resulted in cash being invested for a longer period.

5.1.4 Other Operating Income

The major contributor for the amount over collected is the income received from staff seconded to DPW as well as the sale of redundant assets.

5.2 Programme Expenditure

Table 12: Expenditure per Programme

Programme	2016/17			2015/16		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
Government Policies and Priorities	38 897	38 549	348	34 766	37 100	(2 334)
Skills for Infrastructure Delivery	4 925	8 224	(3 299)	7 051	9 655	(2 604)
BE Research, Information and Advisory	1 080	881	199	752	918	(166)
Regulation and Oversight of six BEPCs	759	598	161	1 377	566	811
Total	45 661	48 252	(2 591)	43 947	48 240	(4 293)
Assets (additions)		5 134	(5 134)	0	344	(344)
Total including assets (additions)	45 661	53 170	(7 509)	43 947	48 584	(4 638)

Reasons for (Over) / Under expenditure

5.2.1 Government Policies and Priorities

The difference relates mainly to expenditure that was capitalised as assets, and was budgeted for as operating expenditure. Surplus funds to the value of R1 054 was also spent on ICT network infrastructure.

5.2.2 Skills for Infrastructure Delivery

The over-expenditure was funded by approved accumulated surpluses amounting to R3 771. The remaining difference in the budget is due to the delay in the appointment of mentors for the candidate's project.

5.2.3 BE Research, Information and Advisory

The under expenditure was due to less travelling than expected, as well as delays on the projects while alternate options were explored to employ experts.

5.2.4 Regulation and Oversight of six BEPCs

The under expenditure is due to funds that were ring-fenced for the appeal of the Competition Commission (CC) case.

The table below indicates that there were no infrastructure projects during the reporting 2016/17 and the prior 2015/16 financial years:

Table 13: Infrastructure projects

Infrastructure projects	2016/17			2015/16		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
None	None	None	None	None	None	None

There were no major maintenance projects undertaken during the period under review. There were also no maintenance backlogs experienced during the year under review.

5.3 Capital Investment

The CBE did not have any infrastructure projects during the current and prior years.



PART C: GOVERNANCE

1. INTRODUCTION

Corporate Governance is essentially about effective leadership, the ethics of responsibility, accountability, fairness and transparency. In the context of the CBE, it entails:

- a. The creation of an appropriate, ongoing monitoring and dynamic system of checks and balances;
- b. The implementation of a system to ensure compliance by the CBE with its legal and regulatory obligations;
- c. The implementation of a process whereby risks to the sustainability of the CBE's mandate are identified and managed; and
- d. The development of practices, which make and keep the CBE accountable to its stakeholders.

The CBE takes its governance responsibility from the relevant legislation and principles of the King III Report.

2. EXECUTIVE AUTHORITY

The Minister of Public Works is the Executive Authority of the CBE.

3. THE ACCOUNTING AUTHORITY / COUNCIL

The CBE Act 43 of 2000, establishing the CBE, was passed by Parliament in November 2000, along with Acts regulating and re-establishing the six councils for the professions. The Act became operational in September 2001, following the establishment of the six councils for the professions 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 inter-ministerial 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 the 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 of different categories of registered persons, key elements of competence testing of registered persons, codes of conduct to be prescribed by the councils for the professions, principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions Acts and in accordance with any legislation relating to the promotion of competition, and standards of health, safety and environmental protection within the built environment; and
- g. Act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions.

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

The role of the Council

The role and responsibilities of the Council are to: -

- (1) Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the councils for the professions, DPW, the Ministry of Public Works and other stakeholders of the organisation along sound corporate governance principles.
- (2) Appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - a. Contributing to and approving the strategy.
 - b. Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management.
 - c. Identifying key performance and risk areas.
 - d. Ensuring that the strategy will result in sustainable outcomes.
 - e. Considering sustainability as a business opportunity, that guides strategy formulation.
- (3) Provide effective leadership on an ethical foundation.
- (4) Ensure that the organisation is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the organisation, but also the impact that the business operations have on the environment and the society within which it operates.
- (5) Ensure that the organisation's ethics are managed effectively.
- (6) Ensure that the organisation has an effective and independent Audit and Risk Committee.
- (7) Be responsible for the governance of risk.
- (8) Be responsible for IT governance.
- (9) Ensure that the organisation complies with applicable laws and considers adherence to non-binding rules and standards.
- (10) Ensure that there is an effective risk-based internal audit.
- (11) Appreciate that stakeholder perceptions affect the organisation's reputation.
- (12) Ensure the integrity of the organisation's quarterly and annual reports.
- (13) Act in the best interests of the organisation by ensuring that members:
 - a. Adhere to legal standards of conduct.
 - b. Are permitted to take independent advice in connection with their duties following an agreed procedure.
 - c. Disclose real or perceived conflicts to the Council and deal with them accordingly.
 - d. Deal in securities only in accordance with the policy adopted by the Council.

(14) Commence business rescue proceedings as soon as the organisation is financially distressed.

(15) Appoint and evaluate the performance of the CEO.

The Council should do everything necessary to fulfil its role set out above.

The following challenges presented during the financial year:

- (a) Vacancies on Council not filled within the statutory time limit.
- (b) Governance challenges at the councils for the professions were escalated to the CBE for attention by stakeholders, testing the relationship between CBE and the CBEP.
- (c) Disciplinary action against the former CEO was protracted and costly.

Composition of the Council

The Act stipulates that Council comprises 20 members (non-executive) appointed by the Minister of Public Works consisting of:

- (a) One representative from the department;
- (b) Not more than three persons nominated by state departments within whose functional areas the professions are also practiced; taking due cognisance of provincial participation.
- (c) Two representatives nominated by each council for the professions; and
- (d) Not more than four persons nominated by the public through an open process of public participation.

Members are appointed through a formal process, as stipulated in the Act. In terms of the Act, the Minister of Public Works appoints the Chairperson and Deputy Chairperson of Council. Members are appointed for a period of four years. The CEO, COO and Chief Financial Officer (CFO) attend meetings of Council and its relevant Committees.

Meetings of Council

During the 2016/17 financial year, five meetings of Council were held. Three of these were special meetings. The following important matters were discussed at Council meetings:

- Approval of the second draft of the 2017/18 APP
- Noted: Ruling in CEO's disciplinary hearing
- Feedback on the former CEO's case, referred to the Commission for Conciliation, Mediation and Arbitration (CCMA)
- IDoW: Appeal process
- Approval of the SCM Policy
- Approval of the Travel Management Framework
- Approval of the Asset Management Policy
- Approval of the Finance Policy
- Approval of the Petty Cash Policy
- Approval of the Appeal Policy
- The Revised Procurement Plan

- Approval of the Mid-term Budget Review
- Approval of Bid 1/2016 as per the DoA Framework
- Office Accommodation: Approval of procurement as per the DoA
- Approval of deviation for Acting and Internal Appointment Policy
- Recruitment for the CEO position: Appointment of a recruitment committee and approval of its terms of reference
- Approval of the Revised Organisational Structure
- The Transformation Indaba 2017/18
- Risk Reports
- IT Governance
- Governance Matters emanating from the councils for the professions
- Approval of the Social and Ethics Policy and Implementation Plan
- Approval of the Compliance Policy and Implementation Plan

Note: Council received a resignation from Ms AA Steyn (representing SACLAP on the Council). The Council received nominations from SACLAP, as required by the Act, which were recommended to the Minister. CBE is awaiting the decision from the Minister's office.

Table 14: Fourth Term Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
IM Nkosi (Chairperson)	5(2)(c) SACPCMP	1 August 2014	-	Dip (Civil Engineering); BSc (Construction Management); MSc (Project Management)	Construction Project Management Infrastructure Programme Management Property Development Facilitation Construction Management	IN-TPM Project Managers IN and Associates Project Managers MIO-Liviero Garanakuwa (PTY) Ltd	Vice President SACPCMP Chair: Finance Committee EXCO Member CBE: Chair Council Chair: EXCO Chair: EXCO & Presidents' Forum FHLC Member BEMC Member	31
NF Sithole (Deputy Chairperson)	5(2)(d) Public	1 August 2014	-	BCom Hons; CA	Finance; Eskom; Umgeni Water; KPMG		Vice President: Public Relations for the Central Centurion Toastmasters Club CBE: Deputy Chair: Council EXCO & President Forum Member ARC member	2

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
CA Breed	5(2)(c) SACLAP	1 August 2014	-	BScLarch; Masters; Honours	Landscape Architecture; Lecturer	CityScape Design Lecturer, University of Pretoria ILASA National Executive Committee & President	CBE Council Member BEMC	6
ND Lombard	5(2)(c) SACAP	1 August 2014	-	Introductory Architectural Drawing National Technical Certificate Part 3	SAID President Architectural Consultant for a Residential Security Development Resident		SACAP: Council Member CBE: Council Member FHLC Member	11
N Maharaj	5(2)(d) Public	1 August 2014	6 May 2016	BProc; LLB	Legal; Company Secretary; PFMA; Corporate Governance & Board Effectiveness; Financial & Accounting Principles for Public Entities		Chairperson South Rand Hospital Board; NADEL; RTMC; HCT Company Secretary; Chairperson Audit & Performance Committee of Setsoto Local Municipality; PFMA & MFMA Bid Committees CBE: Council Member EXCO Member EXCO & Presidents' Forum Member Chair FHLC BEMC Member ARC Member	0

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
EG Makongwana	5(2)(c) SACPPV	1 August 2014	-	BTech: QS; MSc: Property Development & Management			Board Member for Valuation appeals for Ekurhuleni Alternate board member for City Johannesburg Board member for Valuation appeals board Westonia, Randfontein and Mogale City CBE: Council Member BEMC Member	3
JL Margolius	5(2)(c) SACPPV	1 August 2014	-	Nat Dipl: Property Valuations; Arbitrations; Mediation; M. Phil (Construction, Economics & Management) UCT Certificate of Real Estate	Property Valuation, Sectional Title, Arbitration and Mediation Property Management Real Estate Litigation Support and Expert Witness (Property matters) Property Law	Jerry L Margolius & Associates CC Arbitration & Appraisal Services CC Jonc Trust (Trustee), CTJC C (PTY) Ltd Rates Watch Cape CC Arabella Country Estate Home Owners Association (non-executive Director)	Margin Property valuation services (Pty) Limited (Consultant) Member of Western Cape Provincial Government Property Committee Chairman; Hatfield Management Committee Ministerial Task Team Land Valuer General, Editor-The Valuer manual (Lexus) CBE: Council Member Member of FHLC	9

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
Dr ZT Mathe	5(2)(c) ECSA	1 August 2014	-	BSc Chemical Engineering; Doctor of Phil; Master of Business Leadership	Power Plant Design Project and Engineering Management Strategic and Business Development Project controls Corporate Governance Project and Technology Development	ECSA Council UCT Chemical Engineering Advisory Board Mayibuye Works Zwanani consulting Special economic Zones Advisory Board	ECSA: Council Member Chair Central Registration Committee CBE: Council Member Chair BEMC EXCO Member EXCO & President Forum Member	19
D Michell	5(2)(c) SACPCMP	1 August 2014	-	NUS Power Plant-Eskom; SPO Units-Eskom; SAMTRAC – NOSA; IT IS – NOSA; Loss Control Management (ILCI); OHSAS18001 Systems (SABS); OHSAS18001 Auditor (SABS); MBSA Lead Auditor (MBSA); Outcomes Based Assessor; Coaching and Outcomes Based Education	Construction Health and Safety	Member: Concept Safety System	SACPCMP: Council Member Chair CHS Committee DCC Member CBE: Council Member BEMC Member	8

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
Prof KA Michell	5(2)(c) SACQSP	1 August 2014	-	BSc (QS); M. Phil; D. Phil.	Quantity Surveying; Academia		President SACQSP CBE: Council Member FHLC Member	16
C Mtshisa	5(2)(a) Department of Public Works	1 August 2014	-	Honours in Labour Relations and Labour Law			CBE: Council Member BEMC Member	4
ZC Mvalo	5(2)(b) Department of Higher Education	1 August 2014	-	BA (SW) Master in Public Administration Post Graduate Diploma in Employment Law and Social Security Bachelor of Law	Corporate Services Human Resources Labour Relations Skills Development		CBE: Council Member BEMC Member	3
A Sassenberg	5(2)(c) ECSA	1 August 2014	-	NHDT (Eng) Civ; Pr Tech Eng; Project Management	Civil (infrastructure) and Structural Designs Construction Project Management Commercial development Light commercial development Interior design Functional facilitator	AMS consultants (sole proprietor) Hectotrim (light industrial development company) Cherymoss (commercial development company) Scoreprops (commercial development company) Promania t/a Celebrations (functions and venue company)	ECSA: Transformation Marketing Professional registration SASFA technical design SANS 517 CBE: Council Member Member FHLC Manung Tribunal	14

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
RG Sefotlho	5(2)(d) Public	1 August 2014	-	Advanced Management Development Programme NOF Level 6	Journalism; Outcomes Based Assessment; Public Relations	Thaboiko Trading cc Tand K Enterprise (PTY) Ltd	Member of Disabled People of South Africa-Northern Cape CBE: Council Member BEMC Member	18
AA Steyn	5(2)(c) SACLAP	1 August 2014	10 February 2016	BScLarchi; MLA	Landscape Architecture		SACAP: Council Member FHLC Member	0
S Thubane	5(2)(c) SACAP	1 August 2014	-	BAS Diploma in Project Management BSc Hon. Construction Management	Senior Technologist		SACAP: Council Member IDoW Member CBE: EXCO Member BEMC Member	14
MM Tshangela	5(2)(c) Department of Environmental Affairs	1 August 2014	-	BSc; MSc: Technology Management	Policy Advisor		CBE: Council Member BEMC Member	8

Committees of Council

Statutory Committees

- a. Executive Committee (EXCO), as prescribed and mandated in the Act
- b. Audit and Risk Committee (ARC), as prescribed and mandated in the PFMA

Other Committees

- a. Finance, Human Resources and Legal Committee (FHLC)
- b. Built Environment Matters Committee (BEMC)

Executive Committee

In terms of the CBE Act, the EXCO may hold meetings as and when necessary, but at least four times per year. The statutory mandate of EXCO is 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 advise the Council in connection therewith.
- c. Prepare estimates of revenue and expenditure of the Council.
- d. Control the expenditure of monies voted by 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 and such other powers as may be delegated to it by Council in terms of clause 16 of the CBE Act.
- f. Report at every ordinary meeting of the Council on the activities of the Committee.
- g. Establish an annual work plan to ensure that all relevant matters of the Committee's roles and responsibilities are covered.

During the 2016/17 financial year, six ordinary meetings and two special EXCO meetings took place. The following important matters were discussed:

- The former CEO's disciplinary matter:
 - Noted: Legal advice on the Appeal/CCMA process
 - Notice of the Conciliation/Arbitration hearing at CCMA and the right to object to it
 - CBE representation at the Conciliation/Arbitration
 - Noted: Update on the CCMA process
- IDoW:
 - Feedback from the CC
 - Way forward with appeal process

- Approval of Quarterly Reports for statutory submission
- Stakeholder Management: Regular Feedback from the Acting CEO
- Noted: Strategic Risk Register
- Noted: IT Governance.
- Noted: Legal Compliance

Audit and Risk Committee

The ARC is constituted in terms of Section 77 of the PFMA, read with Chapter 9 of the Treasury Regulations. The ARC consists of three external members and two Council members. The ARC Chairperson is an external member. The ARC assesses the CBE's risks, with reference to the entity's available resources, expertise, resources and experience of financial management, supply chain management, and the internal audit function. The ARC has a charter that outlines its terms of reference.

The role of the ARC is to assist Council to ensure that-

- a. The CBE has implemented an effective policy and plan for risk management that will enhance the CBE's ability to achieve its strategic objectives;
- b. The disclosure regarding risk is comprehensive, timely, and relevant;
- c. Review the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive information and prospectuses, trading statements and similar documents;
- d. Comment on the annual financial statements, the accounting practices and the effectiveness of the internal financial controls;
- e. Review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information;
- f. Recommend to Council the engagement of an external assurance provider on material sustainability issues;
- g. Recommend the quarterly and annual reports for approval by Council;
- h. Review the content of the summarised information for whether it provides a balanced view; and
- i. Engage the external auditors to provide assurance on the summarized financial information.
- j. Consider risk reports.
- k. Consider reports on legal compliance.

Seven meetings of the ARC were held during the 2016/17 financial year, three of which were special meetings. The following were important discussion points:

- Audit Reports: Consideration of
 - Quarterly Performance Reports
 - Quarterly Financial Reports

- Risk Management:
 - IT Governance
 - Summary of completed Internal Audit Activities
 - Legal Compliance Reports
 - Oversight on the appointment process of Internal Auditors
 - Internal Audit Assessment Results
 - Review of SCM Processes
 - Review of Internal Financial Controls
 - The Audit of Pre-determined Objectives for Quarter 2

Finance, Human Resources and Legal Committee

The mandate of the FHLC is as follows:

A. Finance

- a. Consider matters of financial strategy and policy, including procurement and supply chain management, risk management and insurance, as they relate to the operations of the CBE, in particular the optimum use of available and potential financial resources (including internal investment options and their rate of return).
- b. Consider and assess all investment opportunities available to the CBE, in respect of all funds that it administers, and determine the manner and extent to which funds are to be invested with a view to ensuring both security and optimisation of income.
- c. Review the annual financial statements of the CBE in conjunction with the Audit and Risk Committee, and make recommendations to Council.
- d. Receive and consider budget proposals from the Executive and recommend to Council, the annual operating and capital budgets.
- e. Monitor compliance with the PFMA in respect of matters relating to the CBE Act.
- f. Review the adequacy of the working capital by comparing cash focus against the actual.
- g. Receive reports of fraud relating to the CBE.
- h. Report at every ordinary meeting of the Council on the activities of the Committee.
- i. Establish an annual work plan to ensure that all relevant matters of the Committee's roles and responsibilities are covered.

B. Human Resources

- a. Consider and make recommendations on the human resources strategy that will ensure that CBE is able to attract, retain and develop the best possible talent to support business performance.
- b. Consider and make recommendations on the creation or review of an organisational culture, structure, and processes, which seek to support the development of staff and optimisation of their potential, in particular those who have been previously disadvantaged, to address any existing inequalities in staff profiles and organisational practice.

- c. Ensure compliance with all employment legislation such as Employment Equity Act, Labour Relations Act and Basic Conditions of Employment Act etc.
- d. Consider and make recommendations on a formal and transparent procedure for developing a policy on remuneration, with particular reference to Senior Management.
- e. Determination of annual remuneration adjustments for all staff members.
- f. Creation and abolition of Senior Management positions, appointments, transfers and promotions of Senior Managers; performance appraisal of the CEO, and implementation of disciplinary action against the CEO.

C. Legal

- a. Deal with the BE Policy proposal by DPW relating to the repeal of the CBE Act.
- b. Deal with IDoW; Appeals; Planning, Monitoring and Evaluation; and other legal compliance matters within the CBEP.
- c. Deal with Corporate Governance matters in Council.

During the 2016/17 financial year, five FHLC meetings were held. The following important issues were discussed:

- Review of the SCM Policy
- Review of the Travel Management Framework
- Review of the Finance Policy
- Review of the Petty Cash Policy
- Quarterly Expenditure Reports
- Quarterly Procurement Reports
- Consideration of midterm budget review
- Noted: Risk Registers
- Noted: HR Reports
- Review of HR Policies
- Noted: Quarterly Appeal Outcomes
- Noted: Quarterly Active Contract List
- Review of the Appeal Policy
- Consolidated Action Plan: Corporate Governance update
- Social and Ethics Implementation Plan
- Compliance Report

Built Environment Matters Committee

The mandate of BEMC is as follows:

- (1) Consider progress reports from management on the achievement of the APP targets per Programme, propose remedial action where required to management and follow up on the implementation thereof through the Project Champions.
- (2) Project champions are members of the BEMC allocated the role to promote specific APP targets.
- (3) Receive on behalf of Council reports and information required in terms of the APP.
- (4) Monitor and guide the CBE's Transformation Strategy.
- (5) Monitor and guide the CBE's Stakeholder Management Strategy.
- (6) Receive and consider information reported by the six councils for the professions to the CBE on a quarterly basis, and recommend remedial steps or intervention where required.
- (7) Monitor execution of actions required of the CBE by the CBE EXCO/President's Forum.
- (8) Consider and recommend to Council all CBE policies not considered by FHLC.

Table 15: Committees Composition and meetings

Council Committee	Number of meetings planned	Number of meetings held	Committee membership	No of members
EXCO	4	6	IM Nkosi (Chairperson) NF Sithole (Deputy-Chairperson) Prof KA Michell Dr ZT Mathe S Thubane (Alternate Member)	5
ARC	5	7	D Coovadia M Mothipe F Docrat NF Sithole (Council Member) JL Margolius (Council Member)	5
FHLC	5	5	Prof KA Michell (Chairperson) ND Lombard JL Margolius A Sassenberg IM Nkosi RG Sefotlho ZC Mvalo	7

Council Committee	Number of meetings planned	Number of meetings held	Committee membership	No of members
BEMC	4	4	Dr ZT Mathe CA Breed EG Makongwana D Michell C Mtshisa ZC Mvalo RG Sefotlho S Thubane MM Tshangela	9
COUNCIL	4	5	IM Nkosi (Chairperson) NF Sithole (Deputy Chairperson) CA Breed ND Lombard EG Makongwana JL Margolius Dr ZT Mathe D Michell, Mr Prof KA Michell C Mtshisa ZC Mvalo A Sassenberg RG Sefotlho S Thubane MM Tshangela	15

Remuneration of Council members

In accordance with the National Treasury prescript, the Minister of Public Works approved the remuneration rate for Council on 22 January 2013 as Category Classification A2 (Part time members), with an annual adjustment.

The following members are not remunerated, either by choice or in terms of their public service designation:

Fourth Term Council

- C Mtshisa
- ZC Mvalo
- AA Steyn
- MM Tshangela

Council members receive a specific claim amount, and are reimbursed for parking, travel and toll fees.

Table 16: Remuneration to Council

Designation	Per Day	Per Hour
Chairperson	R4,174	R522
Deputy Chairperson	R3,542	R443
Chairpersons of Committees	R3,542	R443
Members of Council / Committees	R3,296	R412

Table 17: Fourth Term Council remuneration

Name	Remuneration	Other allowance	Other re-imbursments	Total
IM Nkosi (Chairperson)	119	-	14	133
NF Sithole (Deputy Chairperson)	7	-	-	7
CA Breed	20	-	-	20
ND Lombard	33	-	2	35
EG Makongwana	10	-	-	10
JL Margolius	30	-	-	30
Dr ZT Mathe	64	-	6	70
D Michell	26	-	3	29
Prof KA Michell	48	-	11	59
C Mtshisa	-	-	-	-
ZC Mvalo	-	-	-	-
A Sassenberg	43	-	36	79
RG Sefotlho	56	-	8	64
S Thubane	46	-	-	46
MM Tshangela	-	-	-	-
D Coovadia (Audit Committee External Member)	112	-	9	121
M Mothipe (Audit Committee External Member)	90	-	1	91
F Docrat (Audit Committee External Member)	90	-	4	94

4. RISK MANAGEMENT

Risk Management forms a central part of the CBE's strategic management, with the task of identification, assessment, management and monitoring of risks across the organisation. The CBE's Internal Auditor, Ngubane and Company, and the ARC play a vital role in Risk Management. The principles of good governance require Council, as the Accounting Authority, to be directly responsible for Risk Management and planning. Risk Management is also a compliance requirement, as per the PFMA.

During the period under review, the following were completed:

- A Strategic Risk Register, with action plans, was submitted to the ARC. The Operational Risk Register was presented to the ARC.
- A follow up Strategic Risk Workshop was held with Council, ARC, internal audit and CBE Management during the period under review. A Risk Register was also developed. KPMG facilitated the Operational Risks Workshop with staff, in line with the annual performance of the organisation.
- A report on the outcomes of the workshop and a Draft Risk Register, with action plans, has been compiled.
- The Risk Management framework, plan, policy and strategy were approved by Council.

Materiality Framework

The CBE is dependant mainly on its grant allocation for the execution of its mandate and its administrative operations. The CBE has therefore set its materiality level at 0.5% of its grant allocation, in line with the International Auditing Standard 320 paragraph 3 and in compliance with the PFMA. Any item that, by its nature, is considered fruitless, wasteful, irregular or criminal conduct will be deemed material, irrespective of the amount. The transaction will be considered significant if its value or aggregate value of similar transactions exceeds R200 000. This figure is being revised to R30 000 and the Executive Authority will be consulted as per Treasury Regulation 28.3.1 and sections 55(2) and 54(2) of the PFMA which states that “the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority”.

5. INTERNAL CONTROLS

The AGSA finalised the 2015/16 financial year audit during the period under review. The audit covered all operational areas within the CBE viz. performance information, finance, SCM, IT, and HR. The Audit Steering Committee, which comprises CBE management, internal audit and AGSA representatives, held meetings on a weekly basis to track the audit progress. The outcome was an unqualified audit with a 73% achievement of planned targets. There were numerous internal control issues raised by the internal and external auditors, which were addressed and corrected as a focus area in the 2016/17 financial year.

The 2015/16 audit matrix, with action plans on how to mitigate findings raised by the external auditors, was submitted to the ARC for continuous monitoring. The audit matrix, on findings raised by the internal auditors within the financial year, was also submitted to the ARC during the period under review.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

The ARC is constituted in terms of Section 77 of the PFMA, read with Chapter 9 of the Treasury Regulations. The ARC consists of three external members and two Council members. The ARC Chairperson is an external member. The ARC assesses the CBE's risks, with reference to the entity's available resources, expertise, resources and experience of financial management, supply chain management, and the internal audit function. The ARC has a charter that outlines its terms of reference.

Internal Audit Function

The role of the internal audit function is to improve the CBE's operations. It helps the CBE to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes. The internal audit function reports to all ARC meetings and, if necessary, meets with the ARC Chairperson prior to, and immediately after, each ARC meeting.

The CBE's internal auditors, Ngubane and Company have been continuously submitting written audit reports to the ARC meetings, based on the approved audit plan. These reports were based on the status of the internal audit activities performed, which were, amongst others:

- Significant findings and management action plans;
- Follow up on previously reported audit findings; and
- Fraud and non-compliance with legislation.

Based on the approved internal audit plan, the following audits were performed during the period under review:

- The Internal Audit Charter and the three year Internal Audit Plan were presented to the ARC during the period under review. These documents have since been adopted by the Committee;
- Follow up on previously reported audit findings;

- Fraud and non-compliance with legislation;
- Corporate Governance;
- Fourth, first, second and third quarter audit of predetermined objectives;
- Membership fees (levies) for the councils for the professions;
- High level review of annual financial statements;
- Risk Management;
- Compliance review; and
- Review of the 2015-2020 Strategic Plan and the 2016/17 APP.

6.1 Key activities and objectives of the Audit and Risk Committee

Audit and Risk Committee Function

The ARC is constituted in terms of Section 77 of the PFMA, read with Chapter 9 of the Treasury Regulations. The ARC consists of three independent experts and two Council members. The ARC Chairperson is one of the independent experts serving on the committee. The ARC has satisfied itself of the expertise, resources and experience of the CBE finance, SCM, procurement and internal audit function. The ARC has a charter that outlines its terms of reference.

The role of the ARC is to assist Council to ensure that-

- l. The CBE has implemented an effective policy and plan for risk management that will enhance the CBE's ability to achieve its strategic objectives; and
- m. The disclosure regarding risk is comprehensive, timely, and relevant.
- n. Review the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive information and prospectuses, trading statements and similar documents;
- o. Comment on the annual financial statements, the accounting practices and the effectiveness of the internal financial controls;
- p. Review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information;
- q. Recommend to Council the engagement of an external assurance provider on material sustainability issues;
- r. Recommend the integrated report for approval by Council;
- s. Consider the frequency for issuing interim results;
- t. Consider whether the external auditor should perform assurance procedures on the interim results;
- u. Review the content of the summarised information for whether it provides a balanced view; and
- v. Engage the external auditors to provide assurance on the summarised financial information.

The table below discloses relevant information on the ARC members.

Table18: Disclosure of ARC members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
D Coovadia	CA	External member		6 December 2010 (1st Term) 6 December 2014 (2nd Term)		8
M Mothipe	CA	External member		7 February 2013 (1st Term) 6 December 2014 (2nd Term)		8
F Docrat		External member		6 December 2014 (1st Term)		8
JL Margolius		Council Member		Appointed by Council on 27 May 2015 to serve on the ARC		2
NF Sithole		Council Member		1 August 2014		1
Dr N Maharaj		Council Member		1 August 2014	6 May 2016	0

7. COMPLIANCE WITH LAWS AND REGULATIONS

The CBE, as a public entity, is committed to compliance with legislation and policies. Proper financial management, as prescribed by the PFMA and Treasury Regulations, is a high compliance priority. Non-compliance with SCM practices was discovered during the previous financial year. Further investigation revealed potential criminal conduct, resulting in criminal charges laid against a former employee. The charges are being investigated, and is under consideration by the National Prosecuting Authority.

A Compliance Policy and Implementation Plan was adopted by the Council. There is quarterly reporting on legal compliance to the ARC and Council by the Company Secretary.

8. FRAUD AND CORRUPTION

The CBE's Fraud Prevention Plan was approved and an external fraud hotline service provider was contracted during the year under review. There were two incidents reported to the fraud hotline, which is undergoing the mandatory investigation. There were three quarterly fraud awareness workshops held during the financial year and new fraud awareness publications were printed.

9. MINIMISING CONFLICT OF INTEREST

In trying to minimise conflict of interest, the CBE follows a procedure whereby a declaration of the interest is undertaken by all permanent staff upon appointment, and on an annual basis. Additionally, a special declaration of interest procedure is followed for employees who serve at different levels of SCM such as bid specification, evaluation and adjudication committees. All members declare their interests in writing before they can participate in any Council and committee meetings, including candidate interviews. Members of Council and its committees complete a standard Declaration of Interest form, and where interest has been disclosed, such member/s are required to withdraw from participating in any manner whatsoever in the process relating to the tender or contract.

10. CODE OF CONDUCT

The purpose of the Code of Conduct is to promote ethical behaviour as exemplary conduct. The CBE has put in place policies and procedures to manage the conduct of all employees. A code of conduct policy is presented to all newly appointed employees upon assumption of duty, and annually as a reminder. In the event of a breach of the code of conduct, disciplinary procedures are followed, as prescribed, in the approved disciplinary policy.

11. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

Provision of a healthy working environment remains a priority. The CBE complies with the Health and Safety Act through ensuring a safe and conducive working environment. A health and safety team, comprising of seven staff representatives, met on a regular basis to discuss and ensure all safety measures were in place. Bi-annual evacuation drills were performed to ensure readiness in case of an emergency. The evacuation process is outlined as a standard item at every meeting held, particularly where external stakeholders are present.

Emergency exits and safety posters are displayed throughout the building. Spot checks were performed and occupational hazard related concerns were recorded and attended to on a regular basis. Long-standing building structural defects were identified and reported to the landlord and Department of Labour respectively. While the CBE was due to relocate offices, the staff had to be evacuated prematurely, due the unsafe state of the building. The CBE has since relocated to an alternative building.

12. COMPANY SECRETARY

The Fourth Term Council instituted the Company Secretary role. The Company Secretary supported the Council and committees' governance compliance and administration. Terms of reference for two committees have been reviewed. The performance of the Council was assessed, and governance training presented to Council. The Company Secretary developed a Social and Ethics Policy and Implementation Plan that were adopted by Council and are being executed. Quarterly reporting to the FHLC and Council on the implementation of the policy is undertaken. A Compliance Policy to enhance legal compliance assessment, has been developed and adopted by Council, and is underpinned by an Implementation Plan. Quarterly reports are presented to ARC and Council.

13. SOCIAL RESPONSIBILITY

A Social and Ethics Policy and Implementation Plan was adopted by Council, whereby it took responsibility for ethical leadership and to:

- (i) Set the tone and lead ethically and effectively.
- (ii) Ensure that the CBE's ethics are managed effectively.
- (iii) Ensure that the CBE is a responsible corporate citizen.

In executing its Social and Ethics Implementation Plan, the CBE is forging relationships with various organisations. Three mobile Science Laboratories were donated to three provinces that participated in the Maths and Science support project. The communities who benefited are as follows:

1. uMgungundlovu Department of Education District (KwaZulu-Natal)

- Ikusaselihle Secondary School
- Willowfontein Secondary School
- Fundokuhle Secondary School

- Siqongweni Secondary School
- Nsikayethu Secondary School
- KwaPata Secondary School

2. Uitenhage Department of Education District (Eastern Cape)

- Phaphamani Secondary School
- Molly Blackburn Secondary School
- Thanduxolo Secondary School
- Tinara Secondary School
- Sisonke Secondary School
- Solomon Mahlangu High School
- Nkululeko Secondary School
- VM Kwinana Secondary School

3. Ehlanzeni Department of Education District (Mpumalanga)

- DD Dambuza Comprehensive High School
- Gebhuza Secondary School
- Lambalati Secondary School
- Idlangemabala Secondary School
- Zenzele Secondary School
- MC Zitha Secondary School
- Mahhushe High School
- Mambane Secondary School
- Mgubho Combine School
- SS Repinga Combined School

14. AUDIT AND RISK COMMITTEE REPORT

The following ARC report is for the financial year ended 31 March 2017.

Audit and Risk Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the PFMA and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that it has not reviewed changes in the accounting policies and practices.

Members	Number of meetings attended
Mr D Coovadia (Chairperson) (External member)	8
Ms M Mothipe (External member)	8
Mr F Docrat (External member)	8
Ms N Sithole (CBE Council)	1
Dr N Maharaj (CBE Council)	0
Mr JL Margolius	2

Meetings held requiring Audit (External Members) involvement:

Audit and Risk Committee

Council Risk Workshop

The Effectiveness of Internal Control

The Internal Audit findings, based on risk assessment in the public entity, revealed certain weaknesses, which were raised with the CBE.

The system of internal control was partially adequate and partially 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 AGSA. 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 and areas of concern emerged:

In-Year Management and Monthly/Quarterly Report

As a public entity, the CBE reports monthly and quarterly to the Executive Authority and National Treasury, as is required by the PFMA. The Audit Committee reports its satisfaction with the content and quality of the monthly and quarterly reports, prepared and submitted by the CBE during the year under review, to the Executive Authority.

Evaluation of Financial Statements

The ARC reviewed the annual financial statements prepared by the CBE, and discussed:

- The audited financial statements to be included in the annual report with the AGSA and management;
- AGSA's management report and management's response thereto; and
- Significant adjustments resulting from the audit.

Auditor's Report

The CBE's implementation plan was reviewed for audit issues raised in the prior year, and the ARC is 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.



Mr D Coovadia CA (SA)

Chairperson of the Audit and Risk Committee

Council for the Built Environment

31 May 2017



PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Human resource remains the most valuable asset of the organisation. The role of HR management is to ensure that the organisation has an adequate staff complement. It is also key to have the necessary skills and competencies to achieve the CBE's strategic objectives as reflected in its Strategic Plan.

Considerable effort was put into ensuring adequate capacity. To this end, a project was implemented with the aim to interrogate the adequacy of the organisational structure through analysis of the current capacity, re-profiling and re-evaluation of jobs and skills within the organisation.

HR management is also entrusted with the following functions:

- Recruitment and selection of competent employees;
- Provision of employee relations support;
- Provision of HR support to managers with respect to all policy and procedure related matters;
- Provision of an Employee Wellness Programme; and
- Facilitating an integrated learning and development culture to enhance continuous professional development.

Employee Performance Management Framework

Performance management involves contracting between the manager and the individual employee on expected targets during the annual performance cycle, and the quarterly review of such targets.

There was a series of ongoing interventions underway aimed at ensuring an understanding of the process and inculcating the culture of performance management. The moderation of scores involved consultation with managers and employee representatives, and resulted in payment of annual performance incentives to deserving employees.

Employee Assistance Programme

The CBE has put in place an Employee Assistance Programme. The appointment of a wellness service provider enhanced the programme to assist employees with matters related to physical, social, emotional, occupational and spiritual wellness, as well as comprehensive identification of psychosocial health risks.

To this end, wellness days created awareness through discussion of wellness topics and promotion of healthy lifestyle. The programme is inclusive of options that caters for physical, emotional and social wellness.

Policy development

There was a benchmarking of HR policies with similar entities to determine the extent of compliance and to incorporate legislation updates. Management and union representatives reviewed and agreed on various areas of the policies.

Challenges faced by the public entity

While the organisational structure was found to be adequate, the capacity review exercise uncovered various climate concerns relating to the lack of leadership. The organisation continued to operate under leadership in acting positions resulting in an in-conducive environment. The CEO was dismissed on 29 August 2016. A recruitment process for this position is currently underway.

Future HR plans /goals

- Review and implementation of the job evaluation outcomes
- Implementation of the skills gap analysis outcomes
- Filling the CEO position

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 19: Personnel Cost per Programme

Programme/ activity/ objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a percentage of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Government Policies and Priorities	38 345	8 592	18	26	330
Skills Development in the Built Environment	8 212	2 476	5	6	413
Research and Information in the Built Environment	881	1 621	3	3	540
Regulation and Oversight of six BEPCs	598	1 225	2	3	408
TOTAL	48 036	13 915	28	38	1 691

Table 20: Personnel cost per salary band

Level	Personnel Expenditure (R'000)	Percentage of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 606	19	4	651
Senior Management	4 130	30	7	590
Professional qualified	2 260	16	6	377
Skilled	3 125	22	10	313
Semi-skilled	1 639	12	9	182
Unskilled	155	1	2	77
TOTAL	13 915	100	38	2 190

Table 21: Performance Rewards

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	Percentage of performance rewards to total personnel cost (R'000)
Top Management	0	2 606	0
Senior Management	28	4 130	0.02
Professional qualified	43	2 260	0.03
Skilled	62	3 125	0.04
Semi-skilled	36	1 639	0.02
Unskilled	0	155	0
TOTAL	169	13 915	1

Table 22: Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a percentage of Personnel Cost	No. of employees trained	Avg training cost per employee
Government Policies and Priorities Programme	8 592	15	0.02	2	7
Skills Development in the Built Environment	2 476	23	0.09	3	8
Research and Information in the Built Environment	1 621	0	0	0	0
Regulation and Oversight of six BEPCs	1 226	0	0	0	0
TOTAL	13 915	38	0.03	5	8

Table 23: Employment and vacancies per Programme

Programme/activity/objective	No. of Employees	Approved Posts	No. of Employees	Vacancies	Percentage of Vacancies
	2015/16	2016/17	2016/17	2016/17	
Government Policies and Priorities	18	24	21	3	13
Skills for Infrastructure Delivery	3	6	4	2	33
BE Research, Information and Advisory	5	6	4	2	33
Regulation and Oversight of six BEPCs	2	3	2	1	33
TOTAL	28	39	31	8	20

Table 24: Employment vacancies per level

Programme/activity/objective	No. of Employees	Approved Posts	No. of Employees	Vacancies	Percentage of Vacancies
	2015/16	2016/17	2016/17	2016/17	
Top Management	3	3	2	1	33
Senior Management	6	9	7	2	22
Professionally qualified	4	6	5	1	17
Skilled	7	7	7	0	0
Semi-skilled	7	12	8	4	33
Unskilled	1	2	2	0	0
TOTAL	28	39	31	8	20

Employment changes

During the year under review, the following changes took place:

- The revised structure implemented with internal and external appointments.
- The position of Human Capital Generalist vacated and filled accordingly.
- The position of Manager: Strategic Planning, Monitoring and Evaluation filled with an internal appointment.
- The CEO's suspension finalised with a dismissal. While the vacancy remains, the COO took up the acting position of CEO during suspension and post-dismissal.

Table 25: Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	0	1	2
Senior Management	6	2	1	7
Professionally qualified	4	3	1	6
Skilled	7	0	1	6
Semi-skilled	7	1	0	8
Unskilled	1	1	0	2
Total	28	6	4	31

Table 26: Reasons for staff leaving

Reason	Number	Percentage of total no. of staff leaving
Death	0	0
Resignation	2	50
Dismissal	1	25
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Promotion	1	25
Total	4	100

Table 27: Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal warning	0
Written warning	2
Final written warning	1
Dismissal	1

Equity Target and Employment Equity Status

The statistical comparison in the table below is indicative of the racial and gender equity spread according to professional levels.

All demographic categories are on par, with the exception of the African male and female staff and disabled persons representation.

Table 28: Male equity status and target

Level	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	1	1	0	0
Senior Management	1	1	1	1	0	0	2	1
Professional qualified	2	3	0	0	0	0	0	0
Skilled	2	3	0	0	0	0	1	1
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	5 (50.0)	8 (80.6)	1 (10.0)	1 (8.7)	1 (10.0)	1 (2.6)	3 (30.0)	2 (8.2)

Table 29: Female equity status and target

Level	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	0	0
Senior Management	2	2	0	0	0	0	1	0
Professional qualified	2	2	0	0	1	1	0	0
Skilled	2	2	0	0	1	0	1	1
Semi-skilled	6	6	1	1	0	0	1	1
Unskilled	2	2	0	0	0	0	0	0
TOTAL	15 (71.0)	16 80.0)	1 (5.0)	1 (5.0)	2 (10.0)	1 (5.0)	3 (14.0)	2(10.0)

Table 30: Disabled staff status

Level	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0		0	
Senior Management	0		0	
Professionally qualified	0		0	
Skilled	0		0	
Semi-skilled	0		0	



PART E: FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Council for the Built Environment set out on pages 103 to 144, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. 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 2017, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Financial Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the Council for the Built Environment's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the public entity or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objective presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2017:

Objectives	Pages in the annual performance report
Strategic Objective 1: Government Policies and Priorities	32 - 37
Strategic Objective 2: Skills for Infrastructure Delivery	38 - 45
Strategic Objective 3: BE Research Information and Advisory	46 - 50

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:
- Strategic Objective 1: Government Policies and Priorities
 - Strategic Objective 2: Skills for Infrastructure Delivery
 - Strategic Objective 3: BE Research Information and Advisory

Other matters

15. I draw attention to the matters below.

Achievement of planned targets

16. Refer to the annual performance report on pages 30-37, 38-45, 46-50 and 51-58 for information on the achievement of planned targets for the year and explanations provided for the achievement of planned number of targets.

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Strategic Objective 2: Skills for Infrastructure Delivery. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

18. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
19. I did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Other information

20. The Council for the Built Environment's accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the chairperson's report and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.
21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

22. I considered internal controls relevant to my audit of the financial statements, annual performance report and compliance with legislation, however the objective is not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Other reports

23. I draw attention to the following engagement conducted by various parties that had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

24. The Accounting Authority performed two investigations that were initiated against the CEO and the former supply chain practitioner in the 2015/16 financial year. The case relating to the CEO has been finalised while the criminal case against the former supply chain practitioner was still on-going at the time of this report.

Auditor - General

Pretoria
31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the public entity’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit 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 public entity’s internal controls.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council, which constitutes the accounting authority.
 - conclude on the appropriateness of the council, which constitutes the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council for the Built Environment’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a public entity to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

INDEX

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

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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 annual financial statements and related financial information included in this report. It is the responsibility of the CBE Council to ensure that the annual 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 annual financial statements, and were given unrestricted access to all financial records and related data.

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

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

The CBE Council acknowledges that they are ultimately responsible for the system of internal financial control established by the CBE, and places 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 is 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 annual 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 has reviewed the CBE's cash flow forecast for the year to 31 March 2018 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 its operational existence for the foreseeable future.

Although the accounting authority is primarily responsible for the financial affairs of the CBE, they are supported by the CBE's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 96.

The annual financial statements set out on pages 103 to 144, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2017 and were signed on its behalf by:



Mr IM Nkosi

Chairperson: Council for the Built Environment

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 R'000	2016 Restated* R'000
Assets			
Current Assets			
Other financial assets	5	-	2
Receivables from exchange transactions	7	67	13
Receivables from non-exchange transactions	8	307	201
Cash and cash equivalents	9	9 201	11 211
		9 575	11 427
Non-Current Assets			
Property, plant and equipment	3	5 949	2 196
Intangible assets	4	330	349
Other financial assets	5	-	91
		6 279	2 636
Non-Current Assets		6 279	2 636
Current Assets		9 575	11 427
Total Assets		15 854	14 063
Liabilities			
Current Liabilities			
Operating lease liability	6	-	98
Payables from exchange transactions	12	5 724	4 855
Payables from non-exchange transactions	13	-	27
Provisions	11	259	196
		5 983	5 176
Non-Current Liabilities			
Other financial liabilities	10	2 798	-
Non-Current Liabilities		2 798	-
Current Liabilities		5 983	5 176
Total Liabilities		8 781	5 176
Assets		15 854	14 063
Liabilities		(8 781)	(5 176)
Net Assets		7 073	8 887
Accumulated surplus		7 073	8 887

* See Note 27

STATEMENT OF FINANCIAL PERFORMANCE

	2017	2016
Note	R '000	Restated* R '000
Revenue		
Other operating income	678	620
Interest income	267	2
Government grants and subsidies	43 413	41 994
Levies	2 080	1 841
Total revenue	46 438	44 457
Expenditure		
Employee related costs	(23 043)	(20 227)
Depreciation and amortisation	(1 333)	(955)
Debt impairment	(111)	-
Administrative expenses	(10 709)	(11 866)
merSETA project expenses	(6)	(239)
Operating expenses	(13 050)	(16 075)
Total expenditure	(48 252)	(49 362)
Total revenue	46 438	44 457
Total expenditure	(48 252)	(49 362)
Deficit for the year	(1 814)	(4 905)

* See Note 27

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus R '000	Total net assets R '000
Opening balance as previously reported	13 842	13 842
Adjustments		
Correction of errors	(50)	(50)
Balance at 01 April 2015 as restated*	13 792	13 792
Changes in net assets		
Restated surplus for the year	(4 905)	(4 905)
Total changes	(4 905)	(4 905)
Restated* Balance at 01 April 2016	8 887	8 887
Changes in net assets		
Surplus for the year	(1 814)	(1 814)
Total changes	(1 814)	(1 814)
Balance at 31 March 2017	7 073	7 073

* See Note 27

CASH FLOW STATEMENT

	Note	2017 R '000	2016 Restated* R '000
Cash flows from operating activities			
Receipts			
Grants		43 413	41 994
Interest received		257	-
Cash receipts from customers		1 905	1 921
Other cash item	23	687	383
		46 262	44 298
Payments			
Employee costs		(13 666)	(13 965)
Suppliers		(34 383)	(33 951)
		(48 049)	(47 916)
Total receipts		46 262	44 298
Total payments		(48 049)	(47 916)
Net cash flows from operating activities	22	(1 787)	(3 618)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(45)	(344)
Proceeds from sale of property, plant and equipment	3	16	-
Purchase of other intangible assets	4	(203)	(308)
Repayment of financial asset		9	-
Net cash flows from investing activities		(223)	(652)
Net increase/(decrease) in cash and cash equivalents		(2 010)	(4 270)
Cash and cash equivalents at the beginning of the year		11 211	15 481
Cash and cash equivalents at the end of the year	9	9 201	11 211

* See Note 27

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
Budget on Cash Basis	R'000	R'000	R'000	R'000	R'000	Note
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income	-	15	15	678	663	33
Interest income	170	63	233	267	34	
Total revenue from exchange transactions	170	78	248	945	697	
Revenue from non- exchange transactions						
Government grants and subsidies	43 413	-	43 413	43 413	-	
Levies	1 870	130	2 000	2 080	80	
Total revenue from non-exchange transactions	45 283	130	45 413	45 493	80	
Total revenue	45 453	208	45 661	46 438	777	
Expenditure						
Employee related cost	(20 722)	(1 424)	(22 146)	(23 043)	897	33
Depreciation and amortisation	-	-	-	(1 333)	(1 333)	33
Bad debts written off	-	-	-	(111)	(111)	33
Administrative expenses	(4 325)	(11 516)	(15 841)	(10 709)	5 132	33
merSETA project expense	-	-	-	(6)	(6)	33
Operating expenses	(20 406)	13 462	(6 764)	(13 050)	(6 286)	33
Total expenditure	(45 453)	702	(44 751)	(48 252)	(3 501)	
Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement	-	910	910	(1 814)	(2 724)	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
Budget on Cash Basis	R'000	R'000	R'000	R'000	R'000	Note
Statement of Financial Position						
Assets						
Non-Current Assets						
Property, plant and equipment	-	(910)	(910)	(4 916)	(4 006)	33
Intangible assets	-	-	-	(218)	(218)	33
	-	(910)	(910)	(5 134)	(4 224)	
Non-Current Assets	-	-	-	-	-	
Current Assets	-	(910)	(910)	(5 134)	(4 224)	
Total Assets	-	(910)	(910)	(5 134)	(4 224)	
Assets	-	(910)	(910)	(5 134)	(4 224)	
Liabilities	-	-	-	-	-	
Net Assets	-	(910)	(910)	(5 134)	(4 224)	

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of GRAP, issued by the Accounting Standards Board in accordance with Section 91(1) of the PFMA.

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

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 liabilities.

Provisions

Provisions were raised and management determined an estimate based on the information available. Management base their estimates on the probability of the event happening, the available information and past experience.

Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

ACCOUNTING POLICIES

1.3 Significant judgements and sources of estimation uncertainty (continued)

Allowance for doubtful debts

On debtors, an impairment loss is recognised in surplus and deficit when there is, objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Intangible assets

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

Property, plant and equipment

Plant and equipment are considered for impairment if there is any reason to believe after applying the internal and external impairment indicators that impairments may be necessary. Residual values and estimated useful lives are assessed on an annual basis. The residual value of all other assets are estimated.

1.4 Property, plant and equipment

Property, plant and equipment are tangible, non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

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

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.

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, it's 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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Depreciation method	Average useful life
Leasehold improvements	Straight line	5 years
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	8 years
IT equipment	Straight line	6 years
Signage	Straight line	5 years
Minor signage	Straight line	Fully depreciated within year of purchase
Minor IT equipment	Straight line	Fully depreciated within year of purchase
Minor office equipment	Straight line	Fully depreciated within year of purchase
Minor furniture and fixtures	Straight line	Fully depreciated within year of purchase

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.

ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

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. All items with a cost below R4 000 are considered minor assets and will be fully depreciated within the year that it is purchased. The depreciation charge for each period is recognised in surplus or deficit, unless it is included in the carrying amount of another asset.

Maths and Science laboratory equipment are considered to be consumables, due to the short term nature thereof and as such are not capitalised as property, plant and equipment.

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.

Assets which the entity holds for rentals to others, and subsequently routinely sells as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from the sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it, as if it were in the form of a contract.

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 entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

ACCOUNTING POLICIES

1.5 Intangible assets (continued)

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.

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	1-5 years

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

1.6 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.

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities), and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options), but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

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.

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.

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value.

Derecognition

Financial assets

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

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

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 recognises 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.

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

Financial liabilities

The entity 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.

Dividends, or similar distributions, 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.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.7 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 to produce a constant periodic rate on the remaining balance of the liability.

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

ACCOUNTING POLICIES

1.7 Leases (continued)

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line 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.

1.8 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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, which are largely independent of the cash inflows from other assets, or groups of assets.

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 entity; or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

Identification

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

The entity 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 entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests 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.

ACCOUNTING POLICIES

1.9 Employee benefits

Employee benefits are all forms of consideration given by an entity, 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 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 an entity's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity 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 absence 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 cell-phones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises 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 entity recognises 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 a recognised expense, as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures 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.

ACCOUNTING POLICIES

1.9 Employee benefits (continued)

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

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 an entity pays fixed contributions into a separate entity (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 entity during a reporting period, the entity recognises 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, an entity recognises 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 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.

1.10 Provisions and contingencies

Provisions are recognised when:

- the entity 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.

ACCOUNTING POLICIES

1.10 Provisions and contingencies (continued)

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected 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 entity 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 25.

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.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation, and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term, and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

ACCOUNTING POLICIES

1.11 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 entity receives assets or services, or has liabilities extinguished, and 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 or similar distributions 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.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.12 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

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.

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.

Levies

Levies are recognised as revenue 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.

ACCOUNTING POLICIES

1.12 Revenue from non-exchange transactions (continued)

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities, in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

1.13 Comparative figures

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

1.14 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.

1.15 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 -

- (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, 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 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.

ACCOUNTING POLICIES

1.15 Irregular expenditure (continued)

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.

1.16 Budget information

Entities 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 an entity 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 2016/04/01 to 2017/03/31.

The annual financial statements and the budget are on the same basis of accounting, therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.17 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, 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 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 2017 or later periods:

Standard/ Interpretation	Effective date: Years beginning on or after	Expected impact
GRAP 18: Segment Reporting	01 April 2017	The impact of the amendment is not material.
GRAP 20: Related parties	01 April 2017	The impact of the amendment is not material.
GRAP 26 (as amended 2015): Impairment of cash-generating assets	01 April 2017	The impact of the amendment is not material.
Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	The impact of the amendment is not material.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2017
R'000

2016
R'000

3. Property, plant and equipment

	2017			2016		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold improvements	3 064	(2)	3 062	-	-	-
Furniture and fixtures	1 521	(523)	998	1 100	(492)	608
Office equipment	891	(541)	350	1 008	(696)	312
IT equipment	2 563	(1 052)	1 511	2 016	(760)	1 256
Minor furniture and fixtures	964	(963)	1	639	(639)	-
Minor computer equipment	37	(37)	-	34	(34)	-
Signage	28	(1)	27	7	-	7
Minor signage	13	(13)	-	13	-	13
Minor office equipment	196	(196)	-	61	(61)	-
Total	9 277	(3 328)	5 949	4 878	(2 682)	2 196

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	-	3 064	-	(2)	3 062
Furniture and fixtures	608	543	(46)	(107)	998
Office equipment	312	126	(7)	(81)	350
IT equipment	1 256	598	(14)	(329)	1 511
Minor furniture and fixtures	-	414	-	(413)	1
Minor computer equipment	-	3	-	(3)	-
Signage	7	21	-	(1)	27
Minor signage	13	-	-	(13)	-
Minor office equipment	-	147	-	(147)	-
Total	2 196	4 916	(67)	(1 096)	5 949

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	701	-	-	(93)	608
Office equipment	427	-	-	(115)	312
IT equipment	1 305	334	(55)	(328)	1 256
Minor furniture and fixtures	1	7	-	(8)	-
Minor computer equipment	1	-	(1)	-	-
Signage	-	7	-	-	7
Minor signage	-	13	-	-	13
Minor office equipment	-	3	-	(3)	-
Total	2 435	364	(56)	(547)	2 196

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2017
R'000

2016
R'000

3. Property, plant and equipment (continued)

Pledged as security

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

The residual values of property, plant and equipment have been assessed to be negligible, as a result they have not been considered in the calculation of the depreciable amount.

4. Intangible assets

	2017			2016		
	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 433	(1 103)	330	1 216	(867)	349

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Computer software	349	218	(237)	330

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software	449	308	(408)	349

Pledged as security

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

The residual values of property, plant and equipment have been assessed to be negligible, as a result they have not been considered in the calculation of the depreciable amount.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
5. Other financial assets		
At amortised cost		
DK Pitse	94	93
The receivable is payable in monthly instalments of R1 000. Interest is payable at the prime lending rate.		
	94	93
Provision for credit losses	(94)	-
	-	93
Non-current assets		
At amortised cost	-	91
Current assets		
At amortised cost	-	2
Non-current assets	-	91
Current assets	-	2
	-	93
Financial assets at amortised cost		
Financial assets at amortised cost impaired		
As of 31 March 2017, other financial assets of R 94 (2016: R -) were impaired and provided for.		
The amount of the provision was R 94 as of 31 March 2017 (2016: R -).		
The ageing of these loans is as follows.		
3 to 6 months	94	-
Allowance account for credit losses		
Reconciliation of changes in allowance account of financial assets - 2017		
	Provision for impairment	Closing balance
Other financial assets	(94)	(94)
Receivables from exchange and non-exchange transactions		
Included in Other financial assets are the following:		
Receivables from exchange transactions	-	93

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2017 R'000	2016 R'000
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6. Operating lease liability

Operating lease payments represent rentals payable by the CBE for its office accommodation. The lease was negotiated for an initial term of three years, with a 10 percent escalation per annum. The lease was renewed for an additional one year term, ending on 31 July 2015. The lease was renegotiated for an additional term of 18 months, ending on 31 January 2017. A further extension of two months was negotiated to allow the CBE to obtain suitable office accommodation, and the lease expired on 31 March 2017. No contingent rent was payable.

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

Deferred lease obligation	-	98
Current liabilities	-	(98)

7. Receivables from exchange transactions

Trade debtors	11	13
Deferred warranty expenses	56	-
	67	13

Fair value of trade and other receivables

Trade and other receivables from exchange transactions approximates their fair value.

Trade and other receivables impaired

As of 31 March 2017, trade and other receivables of R 13 (2016: R -) were impaired and provided for. The amount of the provision was R (13) as of 31 March 2017 (2016: R -).

The ageing of these receivables is as follows:

Over 6 months	13	-
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Reconciliation of provision for impairment of trade and other receivables

Provision for impairment	(13)	-
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The creation and release of provision for impaired receivables have been included in debt impairment expenses in surplus or deficit (note 16). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
8. Receivables from non-exchange transactions		
Levies	306	197
Other receivables from non-exchange revenue	1	4
	307	201

Receivables from non-exchange transactions pledged as security

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

Fair value of receivables from non-exchange transactions

Trade and other receivables from non-exchange transactions approximates their fair values.

Receivables from non-exchange transactions impaired

As of 31 March 2017, other receivables from non-exchange transactions of R - (2016: R -) were impaired and provided for.

The amount of the provision was R (4) as of 31 March 2017 (2016: R -). The ageing of these receivables is as follows:

Over 6 months	4	-
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Reconciliation of provision for impairment of receivables from non-exchange transactions

Provision for impairment	(4)	-
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The creation and release of provision for impaired receivables have been included in debt impairment expenses in surplus or deficit (note 16). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above. The entity does not hold any collateral as security.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	15	12
Bank balances	616	11 199
Short-term deposits	6 702	-
Other cash and cash equivalents	1 868	-
	9 201	11 211

Bank guarantee has been issued to the value of R1 868 in favour of Emira Property Fund.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2017 R'000	2016 R'000
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9. Cash and cash equivalents (continued)

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 +Fitch Rating

9 201	11 211
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10. Other financial liabilities

Designated at fair value

Deferred tenant installation

2 798	-
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During the current financial year, CBE obtained a new leased premises which was occupied from 31 March 2017. The landlord provided CBE with a tenant installation for a period of five years and the cost will be amortised over the lease term.

Non-current liabilities

Designated at fair value

2 798	-
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11. Provisions

Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Under estimation of provision	Total
Provision for bonus payment	196	259	(170)	(26)	259

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Under estimation of provision	Total
Provision for bonus payment	200	196	(577)	377	196

During the current year, the CBE raised a provision for bonus payment in relation to performance bonus for the performance period April 2016 to March 2017. The provision for bonus payment is prepared on the basis of prior year's actual performance, which was 2% of the basic salary. Management is of the view that the amount will be adequate to cover the performance bonus of the organisation for the 2016/17 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
12. Payables from exchange transactions		
Trade payables	97	526
Leave expense	659	851
Accrued bonus	195	132
Accrued expenses	4 773	3 346
	5 724	4 855

Fair value of trade and other payables

Trade and other payables from exchange transactions approximates their fair values.

13. Trade and other payables from non-exchange transactions

Other payables from non-exchange transactions	-	27
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Fair value of taxes and transfers payable (non-exchange)

Trade and other payables from non-exchange transactions approximates their fair values.

14. Revenue

Other income	678	620
Interest income	267	2
Government grants and subsidies	43 413	41 994
Levies	2 080	1 841
	46 438	44 457

The amount included in revenue arising from exchanges of goods or services are as follows:

Other income	678	620
Interest income	267	2
	945	622

The amount included in revenue arising from non-exchange transactions is as follows:

Government grants and subsidies	43 413	41 994
Levies	2 080	1 841
	45 493	43 835

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
15. Employee related costs		
Basic	14 134	11 820
Bonus	63	(4)
Defined contribution plans	2 637	1 813
Leave pay provision charge	(191)	32
Medical aid - company contributions	810	621
PAYE	5 335	5 175
Relocation costs	-	36
Staff training	32	489
Staff welfare	109	105
UIF	114	140
	23 043	20 227

Remuneration of Chief Financial Officer (C Changfoot)

Annual remuneration	1 010	977
Contributions to UIF, Medical and Pension Funds	51	92
Subsistence and travel	45	39
	1 106	1 108

Included in personnel cost above is the CFO's remuneration, as itemised under Remuneration of the Chief Financial Officer for the period 1 April 2016 to 31 March 2017. C Changfoot was appointed on 16 March 2015.

Remuneration of Chief Operations Officer (P Mdlalose)

Annual remuneration	994	1 016
Contributions to UIF, Medical and Pension Funds	104	92
Acting allowance	123	49
Subsistence and travel	12	7
	1 233	1 164

Included in personnel cost above is the COO's remuneration, as itemised under Remuneration of the Chief Operations Officer for the period 1 April 2016 to 31 March 2017. P Mdlalose was appointed on 16 February 2015, and was appointed as the Acting Chief Executive Officer from 1 November 2015.

Remuneration of Chief Executive Officer (G Mazibuko)

Annual remuneration	657	1 132
Contributions to UIF, Medical and Pension Funds	1	103
Subsistence and travel	15	37
	673	1 272

Included in personnel cost above is the CEO's remuneration, as itemised under Remuneration of the Chief Executive Officer for the period 1 April 2016 to 31 March 2017. G Mazibuko was appointed on 1 May 2012 and was dismissed on 29 August 2016.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
16. Debt impairment		
Debt impairment	111	-
17. Depreciation and amortisation		
Property, plant and equipment	1 096	547
Intangible assets	237	408
	1 333	955
18. Auditors' remuneration		
Fees	1 631	1 580
19. Administrative expenses		
Auditors remuneration	1 631	1 580
Internal audit fees	671	557
Advertising	216	264
Telephone and fax	364	397
Computer expenses	472	1 173
Council expenses ***	887	1 056
Training	83	4
Catering	77	67
Conferences and seminars	-	20
Building costs and consumables	170	598
Printing and stationery	28	42
Insurance	204	304
Bank charges	57	36
Premises - Contractual amounts	5 144	4 182
Support to the councils for the professions	100	1 586
Utilities	505	-
Relocation expenses	100	-
	10 709	11 866

***Included in administrative fees above is the Council, Council sub-committees and Audit committee members remuneration.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2017
R'000

2016
R'000

19. Administrative expenses (continued)

Below is a breakdown of remuneration for the individual members:

4th Term Council Member	Council Meetings attended	Claim for attendance	Subsistence and travel	Total claim 2016/17	Total claim 2015/16
IM Nkosi (Chairperson)	31	119	14	133	127
NF Sithole (Former Deputy Chairperson)*	2	7	-	7	18
CA Breed	6	20	-	20	20
ND Lombard	11	33	2	35	46
N Maharaj*	-	-	-	-	29
EG Makongwana	3	10	-	10	30
JL Margolius	10	30	-	30	60
Dr ZT Mathe	19	64	6	70	56
D Michell	8	26	3	29	21
Prof KA Michell**	16	48	11	59	68
C Mtshisa	4	-	-	-	-
ZC Mvalo	3	-	-	-	-
A Sassenberg	12	43	36	79	144
RG Sefotlho	12	56	8	64	51
S Thubane	14	46	-	46	54
MM Tshangela	7	-	-	-	-
D Coovadia (Audit Committee Member)	8	112	9	121	114
M Mothipe (Audit Committee Member)	8	90	1	91	65
F Docrat (Audit Committee Member)	8	90	4	94	79
		794	94	888	982

* No changes were made to the individual members during the current year. During the prior financial year the following members resigned from the CBE Council and its committees:

- N Maharaj, former Council member and Chairperson of the Finance, Human Resource and Legal Committee, resigned on 6 May 2015;
- AA Steyn, former Council member, resigned on 2 February 2016; and
- NF Sithole, former Deputy Chairperson, resigned as Deputy Chairperson on 10 February 2016.

** The following replacement of the resigned Council and its sub-committee members was made:

- Prof KA Michell (Council member) was appointed on 26 May 2015 as the Chairperson of the Finance, Human Resource and Legal Committee).
- Currently the nomination process for the replacement of AA Steyn and the Deputy chairperson is awaiting the Minister's response.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
20. merSETA project expenses		
Bank charges	2	2
Travel and accomodation	-	4
Consulting fees	-	233
Catering	4	-
	6	239
21. Operating expenses		
Travel - local	1 581	2 231
Travel - overseas	5	-
Consulting and professional fees	5 200	6 753
Other expenses	-	2 079
Assets written off	-	55
Subscriptions and membership fees	-	1
Loss on sale of property, plant and equipment	5	-
Bursary scheme	4 352	3 941
Catering for projects	10	65
Awareness and publications	314	3
Events and workshops	74	85
Legal expenses	1 509	862
	13 050	16 075
22. Cash used in operations		
Deficit	(1 813)	(4 905)
Adjustments for:		
Depreciation and amortisation	1 333	955
Loss on sale of assets and liabilities	5	-
Interest income	(10)	-
Debt impairment	111	-
Movements in operating lease assets and accruals	(98)	(103)
Movements in provisions	63	(4)
Adjustments, losses and write-offs	-	(55)
Changes in working capital:		
Receivables from exchange transactions	(21)	(9)
Other receivables from non-exchange transactions	(110)	181
Payables from exchange transactions	(1 220)	295
Payables from non-exchange transactions	(27)	27
	(1 787)	(3 618)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
23. Other cash receipts		
Re-imbusement of staff cost	640	315
Insurance claims	5	16
merSETA grant	-	50
Sundry receipts	42	2
	687	383

24. Commitments

Authorised operational expenditure

Already contracted for but not provided for

Maths and Science support programme	747	2 154
Website revamp	140	-
Research project	205	-
Internal audit fees	1 810	-
	2 902	2 154

Total operational commitments

Already contracted for but not provided for	2 902	-
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At the end of the financial year, the CBE had commitments under non-cancellable agreements with suppliers. This committed expenditure relates to Maths and Science support projects, the website revamp and research projects which have been entered into, though work has not been fully completed. There were no similar commitments at the end of the current financial year.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	5 378	3 903
- in second to fifth year inclusive	26 490	-
	31 868	3 903

Operating lease payments represent rentals payable by the entity for its office accommodation. The CBE's previous lease agreement expired during the 2016/17 financial year. The CBE entered into a new lease agreement for a term of five years at an escalation of 8.5 percent. No contingent rent is payable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand Thousand

25. Contingent liability

In terms of section 53(3) of the PFMA, the CBE has to obtain approval from National Treasury to retain accumulated surplus funds at year-end. The budget for the 2016/17 financial year was underutilised by R0.874 million. Of the R7,073 million in accumulated funds to date, R6,279 million represents the book value of the assets capitalised, which will be realised over time through the use of the assets.

Accumulated surplus reconciliation

	Surplus as per Net Assets	Restricted and committed funds approved for future use	Amount of restricted and committed funds still to be utilised	Reconciled surplus for the Year
Accumulated surplus for 2016	8 887	(7 553)	2 728	4 062

The CBE entered into a new lease agreement during the current financial year, and as part of the terms and conditions a bank guarantee was issued, to the value of R1 868, in favour of the landlord. The funds are held in an investment account.

26. Related parties

Relationships

Council Members	Refer to Accounting Authority's report
Executive Authority	National Department of Public Works
Councils for Built Environment Professions	South African Council for the Architectural Profession (SACAP) Engineering Council of South Africa (ECSA) South African Council for the Quantity Surveying Profession (SACQSP) South African Council for the Project and Construction Management Profession (SACPCMP) South African Council for the Property Valuers Profession (SACPVP) South African Council for the Landscape Architectural Profession (SACLAP)

The transactions with the Executive Authority are in respect of the Grant and the reimbursement for staff secondment to DPW. The balances with DPW are in relation to the reimbursement for staff seconded.

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

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

Payments made by the CBE were for administrative support provided to the professional councils.

Balances due, or payable, are in relation to levy 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
26. Related parties (continued)		
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
South African Council for the Architectural Profession (SACAP)	118	(27)
Engineering Council of South Africa (ECSA)	38	72
South African Council for the Quantity Surveying Profession (SACQSP)	9	2
South African Council for the Project and Construction Management Profession (SACPCMP)	27	26
South African Council for the Property Valuers Profession (SACPVP)	67	10
South African Council for the Landscape Architectural Profession (SACLAP)	-	1
National Department of Public Works (DPW)	48	87
Related party transactions		
Grant received		
National Department of Public Works (DPW)	43 413	41 994
Levies received		
South African Council for the Architectural Profession (SACAP)	378	378
Engineering Council of South Africa (ECSA)	1 288	1 127
South African Council for the Quantity Surveying Profession (SACQSP)	120	117
South African Council for the Project and Construction Management Profession (SACPCMP)	219	144
South African Council for the Property Valuers Profession (SACPVP)	67	67
South African Council for the Landscape Architectural Profession (SACLAP)	9	9
Council support payments		
Engineering Council of South Africa (ECSA)	-	688
South African Council for the Project and Construction Management Profession (SACPCMP)	100	948
Other operating income		
National Department of Public Works (DPW)	601	285

Key management information

Class	Description	Number
Non-executive board members (Refer to Accounting Authority's report and note 18)	Council Members	16
Audit committee (Refer to note 18)	Audit committee external members	3
Executive management (Refer to note 14)	Senior Management	3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand Thousand

27. Prior period errors

Property, plant and equipment

In the prior year, CBE undertook a full asset verification. During the current financial year, it was noted that certain IT equipment was incorrectly written off as it could not be verified. The IT equipment was located in a box in a storeroom, and the correction of this error has been retrospectively adjusted.

In the current financial year, it was noted that signage was incorrectly expensed and not capitalised. A correction of this error has been retrospectively adjusted.

Trade and other payables from exchange transactions

In the current financial year, it was noted that certain expenditure was not accrued for during the prior year, although the expenditure was incurred at the end of the financial year. The correction of this error has been retrospectively adjusted.

In the current financial year, it was noted that the 13th cheque salary structuring was not accrued for in the prior period. The correction of this error has been retrospectively adjusted.

Various expenditure relating to the prior year, which was paid for in the current financial year, was incorrectly not accrued for during the previous financial year. The correction of this error has been retrospectively adjusted.

Fruitless and wasteful expenditure

In the current financial year an investigation into the fruitless and wasteful expenditure identified during the prior year was instigated. It was noted that this fruitless and wasteful expenditure related to an accounting error, as no rental deposit was paid to the landlord and only a bank guarantee was issued. The amount was therefore not fruitless and wasteful expenditure. Furthermore, it was noted that a Council resolution was taken on 25 November 2015 to write off fruitless and wasteful expenditure, while no adjustment was made to the disclosure note. The correction to the disclosure note was made retrospectively.

The correction of the error(s) results in adjustments as follows:

	2015/16	2014/15
Statement of financial position		
Increase in property, plant and equipment	39	-
Decrease in trade and other payables from exchange transactions - Trade payables	1	-
Increase in trade and other payables from exchange transactions - Accrued bonus	(132)	-
Increase in trade and other payables from exchange transactions - Accrued expenses	(224)	(50)
Decrease in opening Accumulated Surplus	50	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand Thousand

27. Prior period errors (continued)

	2015/16	2014/15
Statement of Financial Performance		
Decrease in operating expenses - asset written off	(19)	-
Decrease in administrative expenses - advertising	(20)	-
Decrease in operating expenses - consulting fees	(1)	-
Increase in employee related cost - Basic	132	-
Increase in employee related cost - Staff training	10	-
Increase in administrative expenditure - Council expenses	53	50
Increase in operating expenses - Travel and accomodation	13	-
Increase in operating expenses - Consulting and professional fees	97	-
Disclosure items		
Fruitless and wasteful expenditure (Note)		
Fruitless and wasteful expenditure - Fruitless and wasteful expenditure detected in the current year, relating to prior financial years	(123)	-
Fruitless and wasteful expenditure written off	(215)	-
Cash flow statement		
Cash (used in) generated from operations (Note)		
Adjustments, losses and write-offs	(19)	-
Trade and other payables from non-exchange	114	-
	95	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand Thousand

28. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

Liquidity risk

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

The following are the cash outflows of trade payables due within one year. The entity does not consider having any significant exposure to liquidity risk, as its current assets exceed its current liabilities.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 March 2017				
Trade and other payables from exchange transactions	5 724	-	-	-
Other financial liabilities	560	1 119	1 119	-
At 31 March 2016				
Trade and other payables from exchange transactions	4 855	-	-	-
Trade and other payables from non exchange transactions	27	-	-	-

Credit risk

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

The entity 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 entity's revenue transactions. The entity does not have any significant exposure to any individual customer or counter-party. Accordingly, the entity does not consider having any significant concentration of credit risk, which had not been adequately provided for.

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

Financial instrument	2017	2016
Receivables - unrated	374	214
Cash and cash equivalents at fair value	9 201	11 211
Other financial asset	-	93

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2017	2016
R'000	Restated* R'000

29. Going concern

The annual 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 continues to provide the grant funding, as indicated in the MTEF over the MTEF period, to fund the ongoing operations of the CBE.

30. Events after the reporting date

The former CEO of the CBE was dismissed on 29 August 2016 after a disciplinary hearing. The fairness of her dismissal was challenged at the Commission for Conciliation, Mediation and Arbitration (CCMA). The matter was set down by the CCMA for five days for an arbitration hearing, to start on 24 April 2017. At the commencement of the arbitration hearing, the former CEO elected to withdraw her case before the CCMA, with the intention of lodging a case of an automatically unfair dismissal with the Labour Court. The lodgement of the case with the Labour Court is still awaited. The time for the lodgement of a case in the Labour Court has lapsed and condonation will have to be sought from the Labour Court before the merits of the case will be heard. A reliable estimation of settlement therefore cannot be made.

No other significant event took place after the reporting date that would have a significant effect on the financial statements.

31. Fruitless and wasteful expenditure

Opening balance	45	260
Less: Fruitless and wasteful expenditure written off	-	(215)
	45	45

During the 2011/12 financial year, the CEO's recruitment process was cancelled by the previous Third Term Council. The process was re-initiated and a new service provider was sourced. The previous service provider was already remunerated for the work performed up to the time of cancellation, amounting to R215 which was not utilised in the new process. An inquiry into the previous recruitment process was instituted by the current Fourth Term Council, and was completed by the end of the 2013/14 financial year, upon which a request was made to the Minister for condonement. The Minister refused to condone this fruitless and wasteful expenditure, and the Fourth Term Council took a resolution on 12 March 2015 to recover the amount from the Third Term Council. An application to the Minister for condonation of the fruitless and wasteful expenditure was unsuccessful, and a resolution was taken by Council on 25 November 2015 to write off the debt of R215.

During the previous financial year, software to the value of R45 for the development of a database system that already existed, was procured. The CBE Council and Management are undertaking disciplinary procedures in this regard.

During the 2015/16 financial year, a rental deposit of R123 in respect of an operating lease, which expired in December 2010 was not recovered. The claim to the deposit prescribed in December 2013, as it reached the three year prescription period contained in the Prescriptions Act no. 68 of 1969. An effort was undertaken to recover the funds in the current year. A legal opinion was obtained and it was noted that no deposit was paid as only a bank guarantee was issued. The amount is therefore not considered to be fruitless and wasteful expenditure and has been corrected in the prior year. Please refer to Note 27.

* See Note 27

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R'000	2016 R'000
Opening balance	6 783	4 496
Add: Irregular Expenditure - current year	1 828	2 287
	8 611	6 783

32. Irregular expenditure

Details of irregular expenditure – current year

Non compliance with competitive bidding process	Bid was not advertised for 21 days	1 828
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During the 2014/15 financial year, irregular expenditure incurred to the value of R439 was raised due to the issue of non-compliance with the competitive bidding threshold in the supply chain management section. The CBE Council and Management has laid criminal charges against the responsible supply chain management official.

Irregular expenditure incurred to the value of R8 172 was due to non compliance with the prescripts of Supply Chain Management Regulations. The investigations indicated that no officer is liable in law as the entity did not suffer a financial loss. CBE attended a meeting with National Treasury to discuss the condonation process, and is in the process of requesting condonation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand Thousand

33. Budget differences

For the current financial year, the CBE prepared its budget on a cash basis and its financial reports on accrual basis.

Below are the reasons for the variance on the CBE's actual performance as compared to the budget for the year ended 31 March 2017.

Revenue from non-exchange transactions

The total grant income was received as budgeted. The variance is due to more levies received than what was budgeted.

Revenue from exchange transactions

This represents revenue generated from the secondment of staff to DPW and other recoveries.

Personnel costs

The variance in personnel costs is mainly due to vacancies in management positions .

Administrative expenses

The variance relates to various cost saving strategies which have been implemented.

merSETA expenses

The variance relates expenditure incurred for the project which was budgetted for under operational expenditure.

Operational expenditure

The variance is mainly attributable to the utilisation of surplus funds relating to the Maths and Science support programme in schools, as well as additional candidates placed in workplace training.

Depreciation and amortisation

The CBE used cash based budgeting which excludes budgeting for depreciation and amortisation.

Property, plant and equipment and intangible asset additions

The fixed asset variance is due to the purchases of assets of IT infrastructure which was funded by surplus funds as well as the leasehold improvements which was funded by the tenant installation.

Budget revision

The annual budget is compiled at the beginning of the financial year and submitted to Council for approval. A mid term budget review is performed after the first two quarters of the financial year, based on projections for the remainder of the year, and resources are re-allocated based on the revised budget.



PART F: REPORT ON THE COUNCILS FOR THE PROFESSIONS

1. INTRODUCTION

This section outlines a summary of the activities undertaken by the CBEP for the 2016/17 financial year, submitted to the CBE by the end of March 2017. It analyses their performance against their legislated functions, as collated through the reporting templates developed by the CBE, and submitted by the CBEP on a quarterly basis.

2. LEGISLATIVE AND REGULATORY FRAMEWORK OF THE BUILT ENVIRONMENT PROFESSIONS

The respective built environment professions Acts empower the councils for the professions to perform the following functions as part of their regulatory function of the BEPs:

- a) Establishment of a Standards Generating Body (SGB) and development of competency standards;
- b) Register persons in professional categories who have demonstrated competency against the standards determined by the council for the profession for the relevant categories and have passed any additional examination that may be determined by the council for the profession;
- c) Register persons who meet educational requirements in candidate categories;
- d) Prescribe specified categories of registration and register persons in these categories;
- e) Require registered persons to renew registration at intervals and under conditions that the CBEP prescribe;
- f) Recommend to the CBE the type of work which may be performed by persons registered in any of the categories of registration of that profession;
- g) Conduct accreditation visits to any educational institution which has a department, school or faculty of the relevant built environment profession and conditionally or unconditionally grant, refuse or withdraw accreditation to educational institutions and educational programmes;
- h) Evaluate educational qualifications that are not accredited or recognised;
- i) Enter into agreements with any person or body of persons, within or outside the Republic, with regard to any examination or qualification for the purposes of the relevant built environment professions Act;
- j) Develop and administer a code of conduct;
- k) Investigate complaints and probable instances of improper conduct against registered persons, charge registered persons with improper conduct and sanction registered persons found guilty accordingly;
- l) Annually determine guideline professional fees and publish those fees in the Government Gazette;
- m) Recognise VAs;
- n) Advise the Minister, any other Minister or the CBE on any matter relating to its profession;
- o) Take the necessary steps to protect public interest, health and safety, improve standards of professional services, and create awareness of the need to protect the environment;
- p) Encourage and undertake research into matters related to its profession.

The objective of these regulatory arrangements is to protect the public by ensuring a high standard of service and professional behaviour by providing:

- Entry to the professions by trained persons;
- A mechanism for establishing and enforcing standards of training and practice; and
- An avenue for consumers to have complaints against registered persons addressed.

3. HUMAN RESOURCE DEVELOPMENT

3.1 Registration

Number of registered professionals per registration category

In terms of the professions Acts, the Councils may consider and decide on any application for registration either as a professional or candidate, wherein the person applying has demonstrated competency as measured against standards determined by the Council and has passed any additional examinations as determined by the Council. The tables 31-36 below indicate the number of registered persons per registration category.

Table 31: ECSA's registered professionals by registration category

Professional Engineer	Gender	African	White	Indian	Coloured	Total
	Male	1659	13070	951	170	15850
	Female	194	499	153	18	864
Total		1853	13569	1104	188	16714
Professional Engineering Technologist	Gender	African	White	Indian	Coloured	Total
	Male	1356	3170	448	214	5188
	Female	254	71	40	13	378
Total		1610	3241	488	227	5566
Engineering Technician (Master)	Gender	African	White	Indian	Coloured	Total
	Male	0	373	0	0	373
	Female	0	0	0	0	0
Total		0	373	0	0	373
Registered Engineering Technician	Gender	African	White	Indian	Coloured	Total
	Male	37	566	30	16	649
	Female	0	7	0	0	7
Total		37	573	30	16	656
Professional Certificated Engineer	Gender	African	White	Indian	Coloured	Total
	Male	66	875	39	12	992
	Female	3	3	1	0	7
Total		69	878	40	12	999
Registered Lift Inspector	Gender	African	White	Indian	Coloured	Total
	Male	8	118	18	9	153
	Female	1	0	0	0	1
Total		9	118	18	9	154
Registered Lifting Machinery Inspector	Gender	African	White	Indian	Coloured	Total
	Male	106	797	55	28	986
	Female	1	2	1	0	4
Total		107	799	56	28	990

Medical Equipment Maintainer	Gender	African	White	Indian	Coloured	Total
	Male		0	3	0	0
Female		1	0	0	0	1
Total		1	3	0	0	4
Fire Protection System Practitioner	Gender	African	White	Indian	Coloured	Total
	Male		0	4	0	0
Female		0	1	0	0	1
Total		0	5	0	0	5
Professional Engineering Technician	Gender	African	White	Indian	Coloured	Total
	Male		1779	992	207	163
Female		633	33	23	18	707
Total		2412	1025	230	181	3848
EMF	Gender	African	White	Indian	Coloured	Total
	Male		3	18	0	0
Female		0	1	0	0	1
Total		3	19	0	0	22
ETMF Technologist International Register	Gender	African	White	Indian	Coloured	Total
	Male		1	6	2	0
Female		0	0	0	0	0
Total		1	6	2	0	9

Source: ECSA fourth quarter report, 2016/17

Table 32: SACPCMP's total registered professionals by registration category

Professional Construction Manager	Gender	African	White	Indian	Coloured	Total
	Male		73	700	31	23
Female		6	2	0	0	8
Total		79	702	31	23	835
Professional Construction Project Manager	Gender	African	White	Indian	Coloured	Total
	Male		352	1095	103	59
Female		47	28	6	4	85
Total		399	1123	109	63	1694
Professional Construction Mentor	Gender	African	White	Indian	Coloured	Total
	Male		9	8	3	2
Female		0	0	0	0	0
Total		9	8	3	2	22
Professional Construction Health and Safety Agent	Gender	African	White	Indian	Coloured	Total
	Male		6	34	2	5
Female		3	4	0	0	7
Total		9	38	2	5	54

Source: SACPCMP fourth quarter report, 2016/17

Table 33: SACAP's total registered professionals by registration category

	Gender	African	White	Indian	Coloured	Total
Professional Architect	Male	262	2339	126	72	2799
	Female	65	906	62	27	1060
Total		327	3245	188	99	3859
	Gender	African	White	Indian	Coloured	Total
Professional Senior Architectural Technologist	Male	162	979	155	112	1408
	Female	26	280	23	7	336
Total		188	1259	178	119	1744
	Gender	African	White	Indian	Coloured	Total
Professional Architectural Technologist	Male	144	441	100	75	760
	Female	26	168	18	14	226
Total		170	609	118	89	986
	Gender	African	White	Indian	Coloured	Total
Professional Architectural Draughtsperson	Male	335	511	81	190	1117
	Female	58	209	11	13	291
Total		393	720	92	203	1408

Source: SACAP fourth quarter report, 2016/17

Table 34: SACLAP's total registered professionals by registration category

	Gender	African	White	Indian	Coloured	Total
Professional Landscape Architect	Male	1	89	0	0	90
	Female	0	75	0	1	76
Total		1	164	0	1	166
	Gender	African	White	Indian	Coloured	Total
Professional Landscape Manager	Male	3	12	0	3	18
	Female	0	3	0	0	3
Total		3	15	0	3	21
	Gender	African	White	Indian	Coloured	Total
Professional Landscape Architectural Technologists	Male	3	2	0	0	5
	Female	0	9	1	0	10
Total		3	11	1	0	15
	Gender	African	White	Indian	Coloured	Total
Professional Landscape Architectural Technicians	Male	0	0	0	0	0
	Female	0	3	0	0	3
Total		0	3	0	0	3
	Gender	African	White	Indian	Coloured	Total
Professional Landscape Architectural Assistants	Male	0	1	0	0	1
	Female	0	0	0	0	0
Total		0	1	0	0	1

Source: SACLAP fourth quarter report, 2016/17

Table 35: SACQSP's total registered professionals by category

	Gender	African	White	Indian	Coloured	Total
Professional Quantity Surveyor	Male	287	1242	147	36	1712
	Female	127	230	30	6	393
Total		414	1472	177	42	2105

Source: SACQSP fourth quarter report, 2016/17

Table 36: SACPVP's total registered professionals by category

	Gender	African	White	Indian	Coloured	Total
Professional Valuer	Male	56	499	27	14	596
	Female	19	96	8	6	129
Total		75	595	35	20	725
Professional Associated Valuer	Gender					
	Male	70	337	21	28	456
	Female	51	64	10	6	131
Total		121	401	31	34	587
Single Residential Property Assessor	Gender					
	Male	2	7	0	1	10
	Female	0	2	0	0	2
Total		2	9	0	1	12

Source: SACPVP fourth quarter report, 2016/17

Percentage number of registered professionals by gender

The table below indicates that BEPs are still male dominated with 89% of registered professionals being male.

Table 37: Gender representation in the CBEP

SIX CBEP: NUMBERS			
	Male	Female	Total
African	6780	1515	8295
White	28288	2696	30984
Indian	2546	387	2933
Coloured	1232	133	1365
Total	38846	4731	43577
Percentage	89	11	100

Source: CBEP fourth quarter report, 2016/17

Table 38: Total number of registered professionals by the six CBEP

CBEP	African	White	Indian	Coloured	Professionals
ECSA	6102	20609	1968	661	29340
SACAP	1078	5833	576	510	7997
SACLAP	7	194	1	4	206
SACPCMP	496	1871	145	93	2605
SACPVP	198	1005	66	55	1324
SACQSP	414	1472	177	42	2105
Total	8295	30984	2933	1365	43577
Percentage	19	71	7	3	100

Source: CBEP fourth quarter report, 2016/17

Number of registered candidates per registration category

The tables 39-44 below indicate the number of registered candidates per categories of registration in the six councils for the professions.

Table 39: ECSA's total registered candidates

	Gender	African	White	Indian	Coloured	Total
Candidate Engineer	Male	2587	3433	884	144	7048
	Female	747	690	327	53	1817
	Total		3334	4123	1211	197
Candidate Engineering Technologist	Gender	African	White	Indian	Coloured	Total
	Male	2284	646	316	109	3355
	Female	738	59	67	34	898
Total		3022	705	383	143	4253
Candidate Engineering Technician	Gender	African	White	Indian	Coloured	Total
	Male	3833	646	304	124	4907
	Female	1523	71	58	40	1692
Total		5356	717	362	164	6599
Candidate Certificated Engineer	Gender	African	White	Indian	Coloured	Total
	Male	134	102	25	9	270
	Female	6	1	0	0	7
Total		140	103	25	9	277

Source: ECSA fourth quarter report, 2016/17

Table 40: SACAP's total registered candidates

Candidate Architect	Gender	African	White	Indian	Coloured	Total
	Male		52	241	21	16
Female		37	192	17	6	252
Total		89	433	38	22	582
Candidate Senior Architectural Technologist	Gender	African	White	Indian	Coloured	Total
	Male		61	129	29	18
Female		21	57	8	6	92
Total		82	186	37	24	329
Candidate Architectural Technologist	Gender	African	White	Indian	Coloured	Total
	Male		174	116	48	34
Female		55	100	25	10	190
Total		229	216	73	44	562
Candidate Architectural Draughtsperson	Gender	African	White	Indian	Coloured	Total
	Male		157	190	27	34
Female		17	81	6	6	110
Total		174	271	33	40	518

Source: SACAP fourth quarter report, 2016/17

Table 41: SACQSP's total registered candidates

Candidate Quantity Surveyor	Gender	African	White	Indian	Coloured	Total
	Male		568	552	147	66
Female		461	125	46	28	660
Total		1029	677	193	94	1993

Source: SACQSP fourth quarter report, 2016/17

Table 42: SACPCMP's total registered candidates

Candidate Construction Manager	Gender	African	White	Indian	Coloured	Total
	Male		135	160	23	29
Female		39	6	1	1	47
Total		174	166	24	30	394
Candidate Construction Project Manager	Gender	African	White	Indian	Coloured	Total
	Male		842	173	56	39
Female		461	24	10	3	498
Total		1303	197	66	42	1608
Candidate Construction Health and Safety Agent	Gender	African	White	Indian	Coloured	Total
	Male		16	16	4	0
Female		8	7	1	1	17
Total		24	23	5	1	53
Candidate Construction Health and Safety Manager	Gender	African	White	Indian	Coloured	Total
	Male		4	13	0	1
Female		4	3	0	0	7
Total		8	16	0	1	25

Candidate Construction Health and Safety Officer	Gender	African	White	Indian	Coloured	Total
	Male	160	62	5	28	255
	Female	91	30	3	8	132
Total		251	92	8	36	387
Candidate Construction Mentor	Gender	African	White	Indian	Coloured	Total
	Male	1	1	0	0	2
	Female	0	0	0	0	0
Total		1	1	0	0	2
Candidate Construction Health and Safety Manager	Gender	African	White	Indian	Coloured	Total
	Male	43	190	20	22	275
	Female	17	26	3	7	53
Total		60	216	23	29	328
Candidate Construction Health and Safety Officer	Gender	African	White	Indian	Coloured	Total
	Male	385	268	33	88	774
	Female	126	77	6	18	227
Total		511	345	39	106	1001

Source: SACPCMP fourth quarter report, 2016/17

Table 43: SACLAP's total registered candidates

Candidate Landscape Architect	Gender	African	White	Indian	Coloured	Total
	Male	1	19	0	0	20
	Female	1	21	1	3	26
Total		2	40	1	3	46
Candidate Landscape Technologist	Gender	African	White	Indian	Coloured	Total
	Male	0	1	0	0	1
	Female	0	0	0	0	0
Total		0	1	0	0	1
Candidate Landscape Architectural Technician	Gender	African	White	Indian	Coloured	Total
	Male	4	8	1	0	13
	Female	6	8	0	0	14
Total		10	16	1	0	27
Candidate Landscape Architectural Assistant	Gender	African	White	Indian	Coloured	Total
	Male	1	1	0	0	2
	Female	0	0	0	0	0
Total		1	1	0	0	2

Source: SACLAP fourth quarter report, 2016/17

Table 44: SACPVP's total registered candidates

Candidate Valuer	Gender	African	White	Indian	Coloured	Total
	Male	141	211	34	19	405
	Female	115	57	6	8	186
Total		256	268	40	27	591
Candidate Residential Property Assessor	Gender	African	White	Indian	Coloured	Total
	Male	1	5	0	2	8
	Female	1	2	0	0	3
Total		2	7	0	2	11

Source: SACPVP fourth quarter report, 2016/17

Percentage number of registered candidates by race and gender

The table below indicates an increase in the number of Previously Disadvantaged Individuals (PDIs) at candidacy level.

PDIs make up 69% of registered candidates. Visible progress in racial transformation in the candidate phase is encouraging.

However, the CBE and CBEP should focus on assisting this pool of candidates to upgrade to professional status.

Table 45: Total number of registered candidates

CBEP	African	White	Indian	Coloured	Candidate
ECSA	11852	5648	1981	513	19994
SACAP	574	1106	181	130	1991
SACLAP	13	58	2	3	76
SACPVP	258	275	40	29	602
SACPCMP	2332	1056	165	245	3798
SACQSP	1029	677	193	94	1993
Total	16058	8820	2562	1014	28454
Percentage	56	31	9	4	100

Source: CBEP fourth quarter report, 2016/17

Table 46: Total number of registered candidates by gender

SIX CBEP: NUMBERS			
	Male	Female	Total
African	11584	4474	16058
White	7183	1637	8820
Indian	1977	585	2562
Coloured	782	232	1014
Total	21526	6928	28454
Percentage	76	24	100

Source: CBEP fourth quarter report, 2016/17

Table 47: Total number of registered professionals and candidates

CBEP	African	White	Indian/Asian	Coloured	Total
ECSA	17954	26257	3949	1174	49334
SACAP	1652	5833	1682	691	9858
SACLAP	20	252	3	7	282
SACPCMP	754	2146	185	122	3207
SACPVP	456	1280	106	84	1926
SACQSP	1443	2149	370	136	4098
Total	22279	37917	6295	2214	68705
Percentage	32	55	9	3	100

Source: CBEP fourth quarter report, 2016/17

3.2 Accreditation

In terms of Section 13 of the six built environment professions Act of 2000, and subject to Sections 5 and 7 of the Higher Education Act, 1997 (Act 101 of 1997), the CBEP are empowered to:

- (a) conduct accreditation visits to any educational institution that has a department, school or faculty of that professional council. These visits are to be conducted once during the CBEP term of office. If the council for the profession does not conduct an accreditation visit within its term of office, it must notify the Minister accordingly and provide reasons for its failure to do so; and
- (b) either conditionally or unconditionally grant, refuse or withdraw accreditation regarding all educational institutions and their educational programmes.

With regard to accreditation, Section 4 (p) impels the CBE to promote coordination between the CHE and the CBEP on the accreditation of educational institutions.

Accreditation of education programmes is an important element for the assurance of quality and the maintenance of professional standards against national and international standards. Completion of an accredited course of study is a key criterion for registration with the councils for the built environment professions.

Objectives of Accreditation

The objectives of accreditation, as per the six built environment professions Acts, are the following:

- a. To establish whether a programme meets the educational requirements toward registration in a particular category;
- b. To establish whether the graduates of a programme are ready to enter employment, and are equipped to continue learning throughout their careers;
- c. To establish the international comparability of programmes where applicable;
- d. To assure the public of the quality of the programme;
- e. To evaluate and, subsequently, maintain the quality and standard of CBEP programmes offered at public South African higher education providers; and
- f. To encourage improvement and innovation in education, in response to national and global needs.

In line with its legislative mandate of setting minimum standards in education and training, and through their strategic objectives of upholding and maintaining the standard of education and training, the CBEP conduct an evaluation of the programmes offered at the Universities and Universities of Technology.

During the reporting period, the following accreditation activities were reported by the CBEP:

ECSA

• North West University	29 – 30 August 2016	Regular visit
• University of Johannesburg (Engineering)	1 – 2 September 2016	Regular visit
• University of Johannesburg (Technology)	5 – 6 September 2016	Regular visit
• Cape Peninsula University of Technology	2 – 3 October 2016	Regular visit
• University of KwaZulu-Natal	4 – 5 October 2016	Interim visit

SACAP

- One scheduled accreditation visit to the University of Pretoria during February 2017.
- Three further visits are planned for the 2017 academic year to:
 - University of Free State in April 2017
 - University of Namibia in May 2017, and
 - Tshwane University of Technology during August 2017.

SACLAP

- Two scheduled accreditation visits to:
 - University of Pretoria during February 2017, and
 - University of Cape Town during March 2017.

No further visits are planned for the 2017 academic year.

SACPVP

- One scheduled visit to the University of the Witwatersrand during March 2017.
- Two visits are scheduled for:
 - University of Cape Town in May 2017, and
 - University of Free State in August 2017.

SACQSP

- One scheduled accreditation visit to Mangosuthu University of Technology during March 2017.

No further accreditation visits are scheduled for the 2017 academic year to date.

Table 48: Learning Programmes evaluated

CBEP	Institution	Qualification	Accreditation outcome
SACAP	University of Pretoria	BSc Landscape Architecture BSc Landscape Architecture Honours Masters Landscape Architecture Professional	All three learning programmes received full accreditation.
SACLAP	University of Pretoria	BSc Landscape Architecture BSc Landscape Architecture Honours Masters Landscape Architecture Professional	All three learning programmes received full accreditation.
	University of Cape Town	Masters Landscape Architecture Professional	The learning programme received full accreditation.
SACPVP	University of the Witwatersrand	BSc in Property Studies Post Grad in Property Studies MSc Prop Dev	The learning programme received full accreditation.
SACQSP	Mangosuthu University of Technology	N. Dip. In Building Science	Full accreditation with a few recommendations for remedial work on the said learning programme before a follow up is planned in future.

Table 49: Institutions with built environment programmes and their accreditation status

The table below shows a slight increase in the number of programmes accredited by CBEP. However, the issue of non-accreditation of programmes at educational institutions needs to be addressed.

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

Red – Full Accreditation

Orange – Not Accredited

Blue – Partial Accreditation

Black – Accreditation status not determined as information was not provided

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of Cape Town	Bachelor of Science in Construction Studies Bachelor of Science (BSc) (Hons) in Quantity Surveying	BSc in Property Studies BSc (Hons) in Property Studies MSc in Property Studies Postgraduate Diploma in Property Studies	BSc (Hons) in Construction Management Bachelor of Science in Construction Studies	Master of Landscape Architecture (MLArch)	Bachelor of Architectural Studies (BAS) BAS (3 years undergraduate) BAS (Hons) (1 year postgraduate) M Arch (Prof) (Final 1 year postgraduate)	Bachelor of Engineering in <ul style="list-style-type: none"> • Civil • Chemical • Electrical • Mechanical • Electrical • Electro-mechanical • Mechatronic • Electrical and Computer

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of the Free State	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying	Master of Land and Property Development (MPROP Property Valuation)	BSc in Construction Management Quantity Surveying, Construction and Project Management (QCP) Certificate; Bachelor of Science: (Hons) Construction Management; Masters of Land and Property Management (MLPM)	N/A	Bachelor of Architectural Studies BAS (1st 3 yrs) BAS BAS (Hons) M Arch (Masters) M Arch Prof (Professional)	N/A
University of KwaZulu-Natal	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying Accreditation was withdrawn in 2014, as it had not taken on any new students since 2012. Negotiations are underway, since 2014, to re-instate the programme.	N/A	BSc (Hons) in Construction Management	N/A	BAS (3 years undergraduate) M Arch (Prof)	BSc (Eng) <ul style="list-style-type: none"> • 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 BSc and BSc (Hons)	BSc (Hons) in Construction Management Bachelor of Science: Construction Studies Masters of Science (Project Management)	BSc Landscape Architecture BSc Landscape Architecture Honours Masters Landscape Architecture Professional	BSc in Architecture M. Arch Prof BSc (Hons) in Architecture	B. Eng <ul style="list-style-type: none"> • Civil • Mechanical • Industrial • Mining • Chemical • Electrical • Metallurgical • Electronic • Computer • Engineering

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of the Witwatersrand	<p>Bachelor of Science in Construction Studies</p> <p>BSc (Hons) in Quantity Surveying</p>	<p>BSc (4 years in Property Studies)</p> <p>Postgraduate Diploma in property studies</p> <p>MSc in property studies</p>	<p>BSc (Hons) in Construction Management;</p> <p>Bachelor of Science: Construction Studies;</p> <p>Bachelor of Science: (Hons) Construction Management</p>	N/A	<p>BAS</p> <p>BAS (Hons)</p> <p>M Arch (Prof)</p>	<p>Bachelor of Engineering in</p> <ul style="list-style-type: none"> • Civil • Chemical • Electrical • Mechanical • Industrial • Aeronautical • Mining • Metallurgical and Materials • Environmental Engineering Option • Electrical Engineering • Information Option
Nelson Mandela Metropolitan University	<p>Bachelor of Quantity Surveying</p> <p>BSc (Hons) in Quantity Surveying</p>	<p>MSc in Built Environment</p> <p>Facilities Management</p> <p>MSc in Built Environment</p> <p>Property Economics and Valuation</p>	<p>BSc (Hons) in Construction Management</p> <p>BTech, BSc, Hons, Masters in Construction Studies</p> <p>Postgraduate Diploma in Construction Management</p> <p>BSc in Construction Economics</p> <p>BSc in Construction Economics and Computer Science</p> <p>MSc in Built Environment</p> <p>Project Management</p> <p>MSc in Built Environment</p> <p>Construction Management</p> <p>DTech in Construction Management</p> <p>PhD in Construction Management</p>	N/A	<p>N Dip (National Diploma - Architectural Technology)</p> <p>BTech (Architectural Technology)</p> <p>MTech (Architectural Technology)</p> <p>BAS</p> <p>M Arch (Prof)</p>	<p>B.Eng</p> <p>Mechatronics</p>

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of Johannesburg	BTech in Quantity Surveying ND: Building	ND in Real Estate Property Valuation (discontinued) BCom and BCom (Hons)	BTech. MTech in Construction Management National Diploma: Building; Bachelor of Technology: Construction Management	N/A	National Diploma – Architectural Technology (part 1) B. Tech – Architectural Technology – Applied Design (part 1) M. Tech (Thesis based)	BTech in Engineering <ul style="list-style-type: none"> • Civil • Mechanical • Electrical and Electronic • Electrical and Electronic with Endorsement Information Technology
Walter Sisulu University of Technology	ND in Building	N/A	National Diploma: Building	N/A	N/A	BTech and ND in Engineering <ul style="list-style-type: none"> • Civil • Mechanical • Electrical, Electronic and Computer • Chemical
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 Electronics with Computer Science • Industrial • Mechatronic • Mechanical
North West University (Potchefstroom)	N/A	N/A	N/A	N/A	N/A	BEng <ul style="list-style-type: none"> • Chemical • Chemical with specialisation in Minerals Engineering • Electrical & Electronic • Computer & Electronic Engineering • Mechanical

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
UNISA	N/A	ND in Real Estate Property Valuation (programme discontinued in 2011)	N/A	Anticipate accreditation of the programmes relating to the Landscape Management Profession in 2018	N/A	BTech and ND in Engineering <ul style="list-style-type: none"> • Civil (environmental) • Chemical • Electrical • Industrial • Information Technology • Mechanical • Mining
Cape Peninsula University of Technology	Bachelor of Technology in Quantity Surveying	ND in Real Estate (Property Valuation)	BTech in Construction Management MTech in Construction Management National Diploma: Building	ND and BTech in Landscape Technology (The programme is being restructured)	B Tech (Bachelor of Architectural Technology) N Dip (Architectural Technology)	BTech and ND in Engineering <ul style="list-style-type: none"> • Civil • Chemical • Computer Systems • Industrial • Electrical • Mechanical
Central University of Technology	BTech Quantity Surveying Received Candidate accreditation for 12 months, subject to outstanding issues to be resolved	N/A	National Diploma Building	N/A	N/A	BTech and ND in Engineering <ul style="list-style-type: none"> • Chemical • Civil • Electrical • Industrial • Mechanical • Mechatronics • Operations Management • Quality • Transportation & Water
Durban University of Technology	National Diploma (Building) Bachelor of Technology (Quantity Surveying)	N/A	National Diploma: Building Bachelor of Technology: Construction Management	A new programme in horticulture has been developed. It is not certain when the institution will request accreditation thereof	NDip (National Diploma - Architectural Technology) B Tech (Bachelor of Architectural Technology)	ND in Engineering <ul style="list-style-type: none"> • Computer Systems • Electronic • Chemical • Civil • Electrical • Mechanical

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Mangosuthu University of Technology	ND: Building NDip in Surveying	N/A	National Diploma: Building	N/A	N/A	BTech and ND in Engineering <ul style="list-style-type: none"> • Civil • Electrical • Mechanical • Chemical
Tshwane University of Technology	Bachelor of Technology in Quantity Surveying	Building Science	National Diploma: Building Bachelor of Technology: Construction Management	ND in Landscape Technology Accreditation of this programme is set for April 2018	B Tech (Architecture Professional) (Part 1) M Tech (Architecture Professional) (Part 2) B Tech (Architectural Technology) (Part 1)	BTech and ND in Engineering <ul style="list-style-type: none"> • Chemical and Metallurgical • Civil • Electrical • Industrial • Mechanical • Mechatronics • Operations Management • Quality • Computer Systems
Vaal University of Technology	N/A	N/A	N/A	N/A	N/A	BTech and ND in Engineering <ul style="list-style-type: none"> • Chemical • Electrical • Civil • Industrial • Mechanical • Computer Systems • Metallurgical
Centurion Academy	N/A	N/A	N/A	N/A	N/A	ND: Engineering: Electronic
Inscape	N/A	N/A	N/A	N/A	Architectural Technology NQF 5	

The following challenges, regarding accreditation, were reported for the year under review:

- a. Some CBEP cite a lack of suitably experienced persons to undertake accreditation visits to the tertiary education institutions; and
- b. Cost of accreditation to Higher Education Institutions.

SACPVP is the only council for the professions in the built environment that registers candidates while they are still studying. However, the impact of this initiative on registration figures has been dampened by the closure of UNISA's valuation programme, as it was the only institution licensed to offer distance learning qualification. Cape Peninsula University of Technology (CPUT) is now accredited to offer the national diploma qualification on a distance learning mode, previously offered at UNISA. While CPUT has also been granted accreditation for on-site offering of the programmes, the off-site offering appeals to more student valuers, allowing them to study and work at the same time. The off-site offering has a huge impact on the ability of the Council to improve registration numbers since its inception at UNISA and now subsequently at CPUT.

SACQSP is facing challenges with UoTs struggling to meet the minimum requirements of certain criteria in the accreditation policy. A workshop was conducted on the structure of their reporting, and a one year extension granted to conditionally accredited institutions to remedy their shortcomings.

Both the CHE and the Council of SACQSP have a research requirement for the national diploma. Therefore, UoTs have opted to restructure their qualifications and phase out the national diploma. The result of this is that South Africa will have two educational institutions, located on the coast, able to host the national diploma; a move that will significantly impact on transformation.

3.3 Recognition of Prior Learning

Recognition of Prior Learning (RPL) considers practising individuals in the professions who do not have a formal qualification, which will nevertheless enable them to be recognised as either professionals or candidates under the statutory-determined designations. Their recognition is based on a demonstration of competence against learning outcomes required for an NQF-aligned qualification. RPL activities undertaken by the CBEP for the year under review are outlined below:

SACPCMP

SACPCMP reported approximately 56 applicants for RPL; however, they did not submit their Portfolio of Evidence. As a remedial measure, SACPCMP will hold workshops to guide these applicants in the compilation of the Portfolio of Evidence and to prepare for the oral assessment that follows thereafter. Since RPL is a key driver of transformation, workshops of this nature will be held from time to time going forward.

SACAP

A revised RPL system, including an online self-assessment, has been developed and will be implemented in the next financial year.

SACQSP

The SACQSP received 13 applications. Of these, 11 were registered, while two were not eligible.

ECSA

ECSA received 15 applications. Of these, 14 were registered, while one was not eligible.

SACLAP

SACLAP received nine applications. All the applicants were successful and could either be registered in a Candidate or Professional Category of registration.

Table 50 : RPL applications

CBEP	RPL Applications received	Applications registered	Applications rejected	Applications pending
ECSA	15	14	1	0
SACPCMP	56	0	0	56
SACLAP	9	9	0	0
SACQSP	13	11	2	0
SACAP	0	0	0	0
SACPVP	0	0	0	0
Total	93	34	3	56

Source: CBEP fourth quarter report, 2016/17

The reasons for the rejection of applications were listed as follows:

- i. Inadequate employer support;
- ii. Difficulty in securing mentors - access to competent mentors was cited as a barrier, resulting in the lack of a structured in-service training programme;
- iii. Applicants lack of clarity on the knowledge areas to be covered;
- iv. Clarity on the required competencies for registration;
- v. Incomplete reporting and supporting documentation on experience; and
- vi. The experience of compiling the Portfolio of Evidence is onerous and highly demanding.

3.4 Continuous Professional Development

The purpose of Continuous Professional Development (CPD) is to ensure that BEPs knowledge and competencies are continuously developed, and to keep abreast of new developments in their respective fields.

Another purpose is to assist BEPs to maintain and acquire new and updated levels of knowledge, skills and ethical attitudes that will be of measurable benefit in professional practice, and to enhance and promote professional integrity. The client will ultimately be the beneficiary.

The built environment professions Acts impose a duty on a registered person to apply for the renewal of his/her registration with the council for the profession "at least three months prior to the prescribed expiry date of his/her registration." The Acts confer the power on the CBEP to determine conditions for the renewal of registration. The Acts empower the CBEP to determine conditions relating to continuing education and training. The discretion provided for in the Acts to make use of CPD as a mechanism to determine the renewal of registration, gives the CBEP the opportunity to comply with both the renewal of registration and CPD requirements.

It is the responsibility of all professionals to keep up to date with changes and new developments in the professional body of knowledge through participation in formal and informal CPD. All registered professionals are required to complete a series of accredited continuing education activities each year. CPD also ensures:

- The skills of professionals meet the highest standards;
- Expertise of members develop and expand the as markets and conditions change;
- The role and reputation of the professions are relevant and enhanced, both in South Africa and within the international BE community; and
- The expertise of members is harnessed to inform public debate.

Table 51: Percentage of registered professionals who comply with CPD requirements

CBEP	Percentage of registered professionals who comply with CPD requirements
ECSA	70
SACQSP	96
SACAP	70
SACPVP	88
SACPCMP	(Started the first cycle of implementing the policy) 39.09
SACLAP	100

Source: CBEP fourth quarter report, 2016/17

4. AGREEMENTS AND PARTNERSHIPS

In terms of Section 13(e) of the built environment professions Act of 2000, the CBEP may establish mechanisms for registered persons to gain recognition for their qualifications and professional status in other countries. Section 13(h) states that councils for the professions may enter into an agreement with any person or body of persons, within or outside the Republic, with regard to the recognition of any examination or qualification for the purpose of this Act.

Arrangements for agreements and partnerships should be consistent with the following principles:

1. The international movement of professionals is in the interests of increasing trade, investment and knowledge flows between the council for the profession and its trading partners.
2. The needs of the South African community are served according to the highest professional standards.
3. Assessment processes ensure applicants meet standards consistent with the standards applying to local applicants.

SACAP

SACAP is currently party to the Commonwealth Association of Architects international agreement, a MoA of mutual recognition of accredited architectural qualifications.

SACPVP

SACPVP continues to play a role in the spirit of the African Agenda. The African Real Estate Society conference, held in Ethiopia in 2016, will be held in Sandton (Johannesburg), in 2017. The conference discusses African real estate opportunities, linkages, financing options and sustainable housing developments.

SACPVP is also a member of the International Valuation Standards Council.

ECSA

ECSA is party to the following international agreements:

- a. Washington Accord;
- b. Sydney Accord;
- c. Dublin Accord;
- d. International Professional Engineers Agreement (IPEA), formerly known as the Engineering Mobility Forum; and the
- e. International Engineering Technologist Agreement (IETA), formerly known as the Engineering Technologist Mobility Forum.

SACPCMP

Nationally, SACPCMP is pursuing a MoU with the National Home Builders Council (NHBRC).

SACLAP

SACLAP does not have any agreements in place at this time. However, negotiations were opened with the International Federation for Landscape Architects (IFLA) as well as the World Urban Parks Association.

SACQSP

SACQSP continues to be party to the RICS/SACQSP Mutual Recognition of Professional Competence.

The table below indicates agreements signed by the CBEP during the 2016/17 financial year.

Table 52: International accords and organisations that govern BE qualifications

CBEP	Partnerships and Agreements
SACVVP	International Valuation Standards Council Member of African Real Estate Society
ECSA	Washington Accord Sydney Accord 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 African Engineering Organisations (FAEO)
SACPCMP	MoU with the National Home Builders Council (NHBRC)
SACLAP	None
SACQSP	RICS/SACQSP Mutual Recognition of Professional Competence
SACAP	Commonwealth Association of Architects

Source: CBEP quarterly reports, 2016/17

5. PROTECTING PUBLIC INTEREST

Sections 3 (a) and (e) of the CBE Act impel it to:

- (a) promote and protect the interests of the public in the built environment, and
- (e) promote appropriate standards of health, safety and environmental protection within the built environment.

5.1 Investigations into charges of Improper Conduct and Disciplinary Cases

In terms of Section 28(1) of the built environment professions Acts of 2000 (Section 29 in the instance of SACPVP), the relevant council for the profession must refer any matter brought against a registered person to an investigating committee contemplated in Section 17 if—

- (a) the council has reasonable grounds to suspect that a registered person has committed an act which may render him or her guilty of improper conduct; or
- (b) a complaint, charge or allegation of improper conduct has been brought against a registered person by any person.

Similarly, Section 30(1) of the built environment professions Acts of 2000 impels the CBEP to appoint a disciplinary tribunal to hear a charge of improper conduct.

To ensure the protection of consumers of professional services, the CBEP have established complaints and disciplinary systems to maintain the quality of services to consumers and address unprofessional conduct by professionals.

Reasons for the disciplinary cases

The CBEP may take disciplinary action against any registered person who's thought to be in violation of any of the six built environment professions Acts or who's thought to pose a danger to the public. Many complaints can fall into a category of "professional misconduct" or "unprofessional conduct", as well as unsafe practice or illegal or unethical behaviour.

The nature of complaints/disciplinary cases relate to:

- Improper conduct;
- Failure of registered persons to perform professional services within a reasonable time frame;
- Professionals undertaking professional work while their registrations are suspended;
- Competency/design errors;
- Non-compliance with the Code of Conduct; and
- Rendering service as a professional, even when not registered.

Duration for completion of complaints

Most of the cases took between 90 days to a year to complete. The challenges with this turn-a-round time were the following:

- The high cost of investigations and conducting disciplinary cases; and
- The lack of legal resources within the CBEP, who are then forced to source this expertise externally.

General penalties

The decisions by the CBEP to take disciplinary action determines a professional's ability to practice or hold oneself out as a registered person. Specific actions that the CBEP can take vary among the CBEP. The matter may be closed without sanction, or disciplinary action may be taken. If the matter is not closed without sanctions, punitive measures can take a number of forms and may be imposed in combination. Examples include:

- **Reprimand or censure**-reprimand and censure are similar in that they are official records indicating that a licensee has been disciplined. They may, in themselves, not compromise one's ability to practice but may be imposed along with other penalties.
- **Citation**-the CBEP of the registered person imposes a fine or order of abatement in lieu of making a formal accusation.
- **Cease and desist order**-an order to stop a particular activity or else face further penalty.
- **Warning**-this can be accompanied by stipulations or specific requirements.
- **Mandated continuing education.**
- **Fine or civil penalty.**
- **Remediation**-an attempt to correct practice and promote safety; it may define terms for the licensee to be reinstated in good standing.
- **Referral to an alternative-to-discipline program.**
- **Probation**-during probation, the registered person may or may not be permitted to practice. If the registered is permitted to remain in practice during the period of probation, it is with terms and conditions or restrictions.
- **Suspension**-a period of time in which a registered person may not practice or hold herself or himself out.
- **Interventions.**

Complaints received by the CBEP

Complaints of improper conduct lodged against registered persons, or incidents regarding CBEP-related activities that may indicate improper conduct by registered persons are investigated. The following are the complaints received by the six councils for the professions:

SACPVP

45 complaints were received. The outcomes were:

- 7 – completed
- 16 – withdrawn
- 22 – under investigation, relating to the following:
 - Under-valuation: 4
 - Over-valuation: 2
 - Tender irregularities: 3
 - Defamation: 1
 - Fraud and dishonesty: 4
 - Conflict of interest: 2
 - Failure to maintain high standards: 1

- Signed valuation reports prepared by unregistered person: 2
- Property not adequately inspected: 2
- Incorrect sales analysis: 1

SACAP

116 complaints were received during the reporting period, all of which are in progress. The nature of complaints are as follows:

- Failure to perform work for a client within a reasonable time.
- Failure to adequately communicate with the client regarding architectural work undertaken.
- Failure to set out terms of appointment in writing prior to undertaking architectural work.
- Failure to display prescribed abbreviation on letterhead.
- Failure to carry out work with due skill and competence.

SACPCMP

Two complaints were received by the SACPCMP. One was completed, while one is in progress.

The nature of complaints are as follows:

- One complaint of being appointed as a Construction Project Manager, even though not registered.
- One complaint of improper conduct by way of attempting to commit fraud by a registered PrCPM.

ECSA

63 complaints were received during the reporting period. Of these, 45 were completed while 18 were in progress. Most investigations related to competency/design errors.

SACQSP

SACQSP received 31 complaints. Six of these were completed, one was withdrawn, while 24 were in progress.

The nature of the complaints related to:

- Breach of the SACQSP Code of Conduct:
 - Candidate working for own account: 3
 - Candidate work not being supervised: 5
 - No PrQS in branch office: 3
 - Poor quality of work: 3
 - Mentor not signing workplace skills records: 1
 - Soliciting a bribe: 1
- Contravention of Act 49 / 2000 - Clause 18: 2
- Misrepresenting themselves as a registered QS: 3
- Performing the work of PrQS but not registered: 10

SACLAP

No complaints of improper conduct were received by the Council.

These were the outcomes on the completed complaints:

- Candidate working for own account – Fined: 2
- Fined: 1
- Fined and censured: 1
- Branch not managed by PrQS - Corrected: 1
- Candidate misrepresenting their status – Corrected: 1

The complaints received by the CBEP during the reporting period are tabulated below:

Table 53: Total number of complaints received and completed

CBEP	Complaints Received	Complaints Completed	In progress	Withdrawn
SACPVP	45	7	22	16
ECSA	63	45	18	0
SACPCMP	2	1	1	0
SACLAP	0	0	0	0
SACQSP	31	6	24	1
SACAP	116	0	116	0
Total	257	59	181	17

Source: CBEP fourth quarter report, 2016/17

5.2 Health and safety

Section 3 (e) of the CBE Act impels it to promote appropriate standards of health, safety and environmental protection within the built environment. The CBE Act does not, however specify policy instruments for the achievement of appropriate standards of health and safety and environmental protection, as these lie with other Government line functions such as the Department of Labour (DoL) Construction Regulations and the Department of Environmental Affairs and of Trade and Industry (SABS and NRCS). This limits the role of the CBE to a facilitative one. However, a direct role for the CBE is found in influencing the knowledge base of BEPs through the curricula of the BE and CPD programmes to incorporate substantive health and safety and environmental sustainability knowledge to increase their competence in these areas.

ECSA

During the reporting period ECSA reported the following:

Table 54: ECSA's health and safety incidents

Site	Nature of incident	Consequences
Menlyn Shopping Mall	Construction accident	No injuries
Karachi Court	Fatal collapse of balustrade	One death
Morningside, Durban	Boundary wall collapse	Two injured
Phumulani, Tembisa	Mall collapse	Several injured
72 Beach Road	Contiguous wall piling collapse	No injuries
Umhlanga Rocks, Durban	Trench collapse	Two injured
Putfontein Road, Benoni	Structural collapse	Seven injured
First National Bank, Northmead Square, Benoni	Roof collapse	One injured
Sandton	Construction site collapse	Two injured
Charlotte Maxeke Hospital	Roof Collapse	Several workers and patients injured
Mount Road Police Station	Lift plummets four floors	Three police officers and four employees injured

Source: ECSA's fourth quarter report, 2016/17

6. SUSTAINABLE AND INTEGRATED DEVELOPMENT

6.1 Identification of Work

The Identification of Work (IDoW) function is regulated by Section 26 of the six built environment professions Acts and Section 20 of the CBE Act.

The CBE filed the exemption applications to the Competition Commission (CC) in terms of Schedule 1, Part A, read with Part B of the Competition Act on behalf of the six CBEP. The applications are based on the premise that the IDoW Rules are:

- (1) necessary to maintain professional standards or the ordinary function of the profession. The applications cited issues of public health and safety risks, financial risks and information asymmetry between persons offering the built environment professional services and final consumers; and
- (2) provided for in the legislative framework of the built environment. In particular, the CBE relies on section 4(q) of the CBE Act, which gives it the responsibility to liaise with the CC on behalf of the CBEP regarding the development and implementation of the IDoW Rules.

In January 2016, the CC announced that all five exemption applications considered by it were rejected. SACAP elected to withdraw its application, and to replace it at a later stage with a re-worked version.

In refusing to grant the exemptions, the CC concluded that the IDoW Rules of each of the aforementioned CBEP, in their current form, are likely to harm competition in the following ways:

1. Restriction of competition between registered and unregistered persons. The CC found that once the IDoW Rules are implemented, unregistered persons will not be allowed to undertake work or offer services reserved for the persons registered with their respective council for the professions. This exclusionary act will exist regardless of the academic qualifications, practical experience and skills acquired by the unregistered persons;
2. Restriction of competition between persons registered in different councils for the professions within the CBE. The IDoW Rules identify work reserved for persons registered with each member council of the CBE. To the extent that persons, registered with other professional councils, wish to compete with each other, will only do so within the parameters of the MoU to be concluded between those professional councils;
3. Restriction of competition between persons registered with the CBE and persons registered with other professional councils outside the built environment. Upon the implementation of IDoW Rules, persons outside the built environment, but competent to undertake work reserved for persons within the CBE, will be prohibited from undertaking such work unless they register with the respective CBEP; and
4. Restriction of competition between persons registered with the CBE but in different registration categories. The IDoW Rules create different categories of registration and then allocate work to those categories. The CC found that once the IDoW Rules are implemented, persons registered within specified categories of registration will not be allowed to undertake work outside their category of registration, even if they are competent to undertake such work.

The CC concluded that the restrictions imposed by the IDoW Rules will reduce the number of persons operating in the relevant market. The reduction in the number of persons is likely to increase the selling price and reduce the quantity of the service supplied in the market.

The CC also concluded that the restrictions imposed by the IDoW Rules have some element of market allocation in contravention of section 4(1)(b)(ii) of the Competition Act.

The rejection of the exemption application by the CC is viewed in a serious light as it takes away the public protection factor regarding the competence of services provided by professionals. What appears to be not understood is that competence is a minimum technical and ethical standard of service delivery which is intrinsically embodied in the ability to deliver the work to be identified in terms of section 26(2) of the Act.

The CBE continued its attempt to engage the CC on reaching an amicable resolution on the rejected exemption applications without success. The CBE has instructed attorneys to proceed with an appeal and/or review of the CC's decisions to reject its exemption applications. As a final attempt to avoid litigation, the CC was approached to re-submit the exemption applications, addressing the concerns of the CC. Should this attempt fail, litigation will proceed on procedural grounds.

6.2 Professional Fees

In terms of section 4(k) (v) of the CBE Act, the CBE must ensure the CBEP apply policy and principles consistently in determining the fees which registered persons are charged, and in accordance with any legislation relating to the promotion of competition.

In terms of section 34(1) of the built environment professions Acts of 2000, "the Council must, in consultation with the voluntary associations, representatives of service providers and clients in the public and private sector, formulate recommendations with regard to the principles referred to in section 4(k) (v) of the CBE Act.

Section 34(2) of the built environment professions Act 2000 provides that "the council must annually after consultation with the voluntary associations, representatives of service providers and clients in the public and private sector, determine guideline professional fees and publish those fees in the Gazette."

The CC opined that the publication of guideline professional fees is in conflict with the competition law, and requires exemption applications by each of the CBEP. The CBEP submitted the required applications to the CC during January 2016; however, the CC decided that the publication of guidelines fees by the CBEP is anti-competitive and rejected all the exemption applications. During the reporting period the six CBEP reported the following:

SACPVP

SACPVP is considering appealing the decision.

SACQSP

The Council resolved to publish its Guideline Professional Fees, taking into consideration the CC's recommendations previously communicated to it.

ECSA

ECSA has decided on the following actions:

- To retract its mandate, given to the CBE on 29 June 2016, to lodge its appeal on the exemption application for the Guideline Professional Fees.
- To refrain from publishing its Guideline Professional Fees, while engaging directly with the CC with the aim of reaching a resolution.
- To publish a statement on the fee rates on their website, with a link to DPW, as an interim measure.
- That ECSA, along with SAQSP, SACAP and SACPCMP discuss the way in which professional fees are dealt with in the public sector.

SACPCMP

SACPCMP is considering appealing the decision.

SACAP

The Guideline Professional Fees were published in the Government Gazette in 2015. The previous Professional Guidelines Fees were rejected by the CC, hence the new Professional Guideline Fees for 2016/17 was not published.

SACLAP

SACLAP decided that it will accept the outcome of the CC and explore alternatives in conjunction with other CBEP.

The CBEP have raised the following challenge as a consequence of the CC decision:

It is creating an environment where the overall quality of services will deteriorate because the fees received will be inadequate to cover the cost of holistic built environment professional services that are deemed essential.

6.3 Voluntary Associations

In South Africa, Voluntary Associations (VAs) cover any association that has been recognised as such by the CBEP. An association is broadly defined to include an institute, institution, association, society or federation established by the BE practitioners to promote their collective professional and/or business interests. Their initial and continuing recognition is dependent on their adherence to the policy prescripts of the associated council for the profession on VAs.

VAs are an important constituent of the BE professional milieu as a repository of profession-specific technical knowledge. They are also highly involved in CPD activities and the development of qualifications. Their recognition is important and should be encouraged since they play the following critical roles, apart from the aforementioned CPD and qualification development roles:

- Provide a pool of practitioners to serve on professional council's and associated committees;
- Play the role of competency assessment (assessors) in the registration process;
- Provide a pool of mentors for candidate professionals; and
- Serve as members of evaluation committees for programme accreditation at Higher Education Institutions that offer BE qualifications.

Table 55: Number of VAs recognised by the CBEP

CBEP	Number of recognised VAs
ECSA	49
SACAP	12
SACLAP	1
SACPCMP	11
SACPVP	3
SACQSP	1

Source: CBEP fourth quarter report, 2016/17

