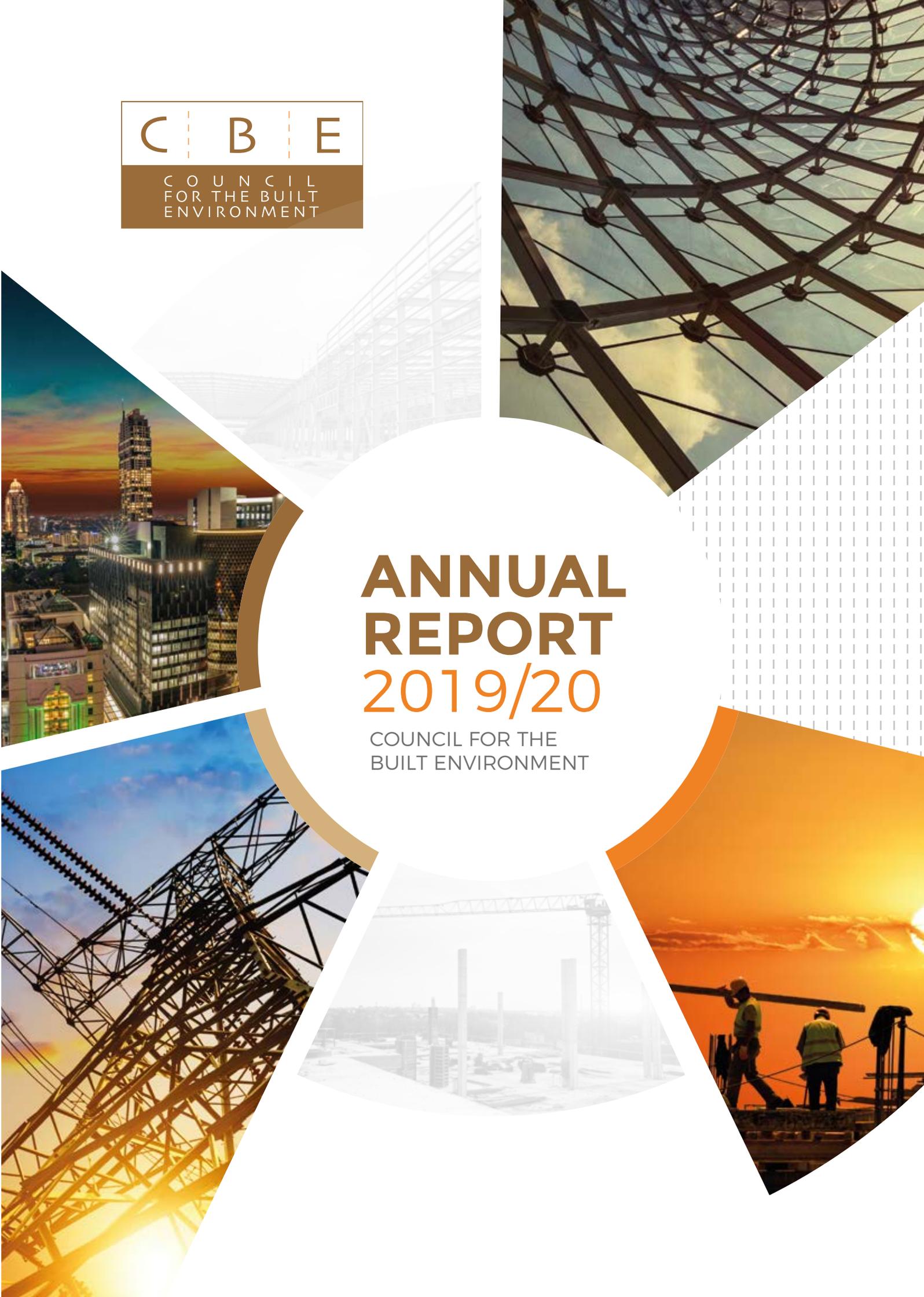


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COUNCIL
FOR THE BUILT
ENVIRONMENT

ANNUAL REPORT 2019/20

COUNCIL FOR THE
BUILT ENVIRONMENT





ANNUAL REPORT 2019/20

COUNCIL FOR THE
BUILT ENVIRONMENT



FOR A
BETTER
BUILT ENVIRONMENT

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**The Council for the
Built Environment Act
(Act 43 of 2000)
provided for the
establishment of the
CBE**



PART A **GENERAL** **INFORMATION**

COUNCIL FOR THE BUILT ENVIRONMENT

1. 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:	+27 (0) 12 346 3985 / +27 (0) 87 980 5009
FAX NUMBER:	+27 (0) 12 346 3986
EMAIL:	registrar@cbe.org.za
WEBSITE:	www.cbe.org.za
EXTERNAL AUDITOR:	Nexia SAB&T Inc
BANKER:	Standard Bank
COMPANY SECRETARY:	Advocate Pieter Fourie
JUDIRISDICTION:	The CBE is a Schedule 3A Public Entity under the Department of Public Works and Infrastructure
ACCOUNTING AUTHORITY:	CBE Council

1.1 Abbreviations/Acronyms/Definitions

Act	The CBE Act 43 of 2000
AGSA	Auditor-General South Africa
ALS	Architectural Learning Sites
APP	Annual Performance Plan
BE	Built Environment
BEP/s	Built Environment Profession/s
CARINBE	Centre for Applied Research and Innovation in the Built Environment
CBE	Council for the Built Environment
CBEP	Councils for the Built Environment Professions
CC	Competition Commission
CDC	Coega Development Corporation
CEO	Chief Executive Officer
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CHE	Council for Higher Education
cidb	Construction Industry Development Board
COGTA	Department of Cooperative Governance and Traditional affairs
COO	Chief Operations Officer
Council	CBE Council
CTA	Cuban Technical Advisory
DEFF	Department of Environmental, Forestry, and Fisheries
DESTC	Defence's Engineering, Science and Technology Conference
DoD	Department of Defence
DoE	Department of Energy
DoL	Department of Labour
DPISA	Department of Public Service and Administration
DPWI	Department of Public Works and Infrastructure
DWS	Department of Water and Sanitation
E-BES	Electronic Built Environment System
EPWP	Expanded Public Works Programme
FIDPM	Framework for the Infrastructure Delivery and Procurement Management
4IR	Fourth Industrial Revolution
GRAP	Generally Recognised Accounting Practice
HEQSF	Higher Education Qualifications Sub-Framework
HR	Human Resources
ICT	Information Communications Technology
IDMS	Infrastructure Delivery Management System
IDoW	Identification of Work
IDT	Independent Development Trust
IEBES	Integrated Electronic Built Environment System
ILO	International Labour Organisation
IT	Information Technology
King IV™	King IV Report on Corporate Governance for South Africa

KPI	Key Performance Indicator
Minister	Minister of Public Works and Infrastructure
MoU	Memorandum of Understanding
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NSC	National Senior Certificate
NW DPWR	North West Department of Public Works and Roads
OMA	O.M.A Chartered Accountants Inc.
OVG	Office of the Valuer-General
PFMA	Public Finance Management Act
PPC	Parliamentary Portfolio Committee
RPL	Recognition of Prior Learning
SAB&T	Nexia SAB&T
SACGRA	South African Council for Graduates
SACPLAN	South African Council for Planners
SBA	Students' Baseline Assessment
SCM	Supply Chain Management
SIPDM	Standards for Infrastructure Procurement and Delivery Management
SIPs	Strategic Infrastructure Projects
SOEs	State-Owned Entities
TransCom	Transformation Collaborative Committee
UoTs	Universities of Technology
VAs	Voluntary Associations
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 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 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 CBEP
Programme 5	Government Policies and Priorities

Councils for the Built Environment Professions (CBEP)

SACAP	South African Council for the Architectural Profession
SACLAP	South African Council for the Landscape Architectural Profession
ECSA	Engineering Council of South Africa
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

1.2 Foreword by the Minister of Public Works and Infrastructure



Ms Patricia de Lille (MP)

Minister of Public Works and Infrastructure

I am encouraged to see the Council for the Built Environment (CBE) has not wavered from its course of sustaining its corporate ethic and focusing on its targets to deliver to the South African public. The CBE's clean audit opinion for successive years bears testimony to this. The year under review saw the CBE's Fifth Term Council serve its first full financial year.

Even though the CBE has achieved a clean audit, there are still challenges that the CBE and the Built Environment sector must continually strive towards improving, especially in the delivery of key infrastructure, which is a primary responsibility of the sector.

Built Environment Professions (BEPs), which include architects, landscape architects, engineers, property valuers, project and construction managers, and quantity surveyors have the knowledge to plan, design, assess, supervise, build, and maintain South Africa's infrastructure. They are involved from the design and concept stages, through to implementation and construction, ongoing operation, property valuation, landscape and maintenance, to decommissioning.

Delivering on the Department of Public Works and Infrastructure's (DPWI) mandate requires close collaboration with the CBE to ensure capacitation of the state and the provision of quality infrastructure to scale, utilising available technologies and resources in the most optimal way. This investment will bring jobs and growth to all regions of the country. DPWI will rely on the CBE in supplying a skilled and productive workforce to deliver, and it's not just more skilled people we need; it's also a different blend of skills.

Transformation within the Built Environment sector, however, and for the CBE, remains one of the key challenges. The CBE has continued to implement its Structured Candidacy Programme, which aims to ensure that Built Environment candidates achieve optimal quality development and professional registration status in the shortest possible time.

The CBE has also developed the Structured Candidacy Framework, a tool to support government departments and municipalities to implement their structured workplace training for their Built Environment candidates. I do, however, believe that more can and should be done as we go forward. I want to implore the Council to work with the Department to capacitate the state and to transform the sector as we invest in infrastructure for our country and our people.

I am a firm believer in the need for the Built Environment Professions to operate as a cohesive unit — working together to assist Government in meeting its policy priorities. It is essential that transformation is realised, visible and sustained.

I want to thank the Council members and Executive Management team for their leadership and ongoing commitment to advancing the Built Environment Professions.

I hereby present the Council for the Built Environment's Annual Report for the 2019/20 financial year.

P. de Lille

Ms Patricia de Lille (MP)

Minister of Public Works and Infrastructure



1.3 Foreword by the Chairperson of the Council for the Built Environment



Dr Sitsabo Dlamini

Chairperson: Council for the Built Environment

It is with a great sense of pride that I present my first Annual Report of the Council for the Built Environment (CBE). It was the first full year of the Fifth Term Council in office, so yes the proverbial honeymoon is over. While Council has lauded the CBE's successes and will continue to build on these, as a collective we have also taken stock of those areas that need bolstered attention and delivery. We have read the radar screen on what drives the organisation, in order to impel it forward and deliver to the people of South Africa. The year closed with the unprecedented Covid-19 pandemic, launching us into a protracted nation-wide lockdown, a crisis of untold proportions out of which no sector will emerge unscathed.

Governance and Oversight Responsibility

The Council and its Committees exercised oversight and fiduciary responsibility over the Council for the Built Environment, providing ethical and strategic leadership, and policy direction. There were regular Governance meetings during the reporting period, considering a variety of matters tabled by Management. It is hereby confirmed that the Council and its Committees were fully functional during the 2019/20 financial year.

The Council (the accounting authority of the CBE) is required, in terms of the Public Finance Management Act (PFMA), to maintain adequate accounting records. It is responsible for the content and integrity of the financial statements and related information. The Council therefore has an executive management team in place to ensure that this is achieved. All executive positions are filled. Improved governance and administrative systems are in place in the organisation, which have led to stronger governance and administrative processes. This earned the organisation clean audit results for three consecutive years - 2016/17, 2017/18 and 2018/19. During the 2018/19 financial year only two findings were raised which related to non-compliance with the Preferential Procurement Policy Framework Act and the Broad Based Economic Empowerment Act. Both of these findings have been addressed.

Overview of Strategy and Performance

The CBE delivered its mandate as outlined in Act 43 of 2000 through the implementation of the 2019/20 Annual Performance Plan (APP). The five identified strategic priorities of the CBE for the 2019/20 financial year, as detailed in the 2019/20 APP, drove all organisational activities.

During the strategy review sessions held on 25 and 26 June 2019, the CBE assessed its organisational performance against both the strategic plan targets as well as its work programme targets. Over the past five years, the organisation achieved 71% of its targets set out in the Strategic Plan (2015-2020). Key reasons for not achieving some targets were mainly third party dependence, especially targets that involved collaboration with the six Councils for the Built Environment Professions (CBEP). To address this challenge the CBE has established the Presidents Forum, made up of the presidents of the six CBEP and CBE Council Executive Committee (EXCO). The role of the forum is to achieve the legislative objectives of the councils and their concurrent functions, focusing on areas of commonality i.e. registration processes, experiences and lessons learnt to become more effective. The forum is monitoring the consistent application and adherence to concurrent legislated functions as per mandates of the different councils. The forum is a mechanism to align, cascade and effectively implement the different CBE strategies and plans throughout the Built Environment by the CBEP.

Huge strides have been made in breaking down the mindset of working in silos in our sector and promoting collaboration among influential role players to collectively drive transformation. A pivotal outcome from the CBE's third Transformation Indaba, held on 09 and 10 October 2019, was to establish collaborative committees to take charge of specific topical issues relating to transformation. The following four Transformation Collaborative Committees (TransComs) have been established with the support from the Department of Public Works and Infrastructure (DPWI):

1. Procurement Policy and Legislation TransCom
2. Women Empowerment and Gender Equality TransCom
3. Occupation Specific Dispensation TransCom
4. Skills Development TransCom

In February 2020, the CBE and DPWI met with the TransComs to actualise and streamline their programmes. The TransComs are commissioned to engage with all relevant departments and industry role players to resolve key priority challenges identified by stakeholders. They are also taking cognisance of other industry players that have emerged as a result of Covid-19 because it is no longer business as usual for the industry.

Transformation remains one of the key challenges facing the Built Environment Professions (BEPs), and a priority area for the CBE Council. We realise that the status of a non-transformed sector not only affects the CBE, but is an issue of concern to the nation at large. The registration statistics in the six CBEP indicate that the white population group is still the most prominent race in the BEPs, accounting for more than 70% of registered persons across the six professions. The African population group is a distant second, accounting for only 19% of BEPs, followed by the Indian and coloured population groups, which account for 5% and 3% of the BEPs respectively. However, all is not lost if you look at the number of registered candidates. As of 31 March 2020 60% of candidates in the CBEP were African, whites accounted for 28%, whilst Indians and coloureds combined accounted for 12% of CBEP candidates. The 60% of African candidates demonstrates efforts towards transformation, compared to the 19% of registered professionals across the six CBEP. In order to ensure conversion from candidate to professional, over the medium-term, the CBE continued to implement its Structured Candidacy Programme. The programme aims to ensure that Built Environment candidates achieve optimal quality development and professional registration status in the shortest possible time. The CBE developed the Structured Candidacy Programme Framework, a tool to support government departments and municipalities to implement their structured workplace training for their Built Environment candidates.

As part of addressing the transformation challenges highlighted above, the CBE has developed a monitoring mechanism to regulate statutory compliance in all public and private sector infrastructure projects, in line with the CBE mandate as prescribed by the Council for the Built Environment Act (the Act). The rollout process in this regard involves the following interventions:

- i. Assessment of all current infrastructure projects in all spheres of government for compliance with skills development key performance indicators (KPIs) in line with Board Notice 180 of 2013. This intervention will crack down the slow pace of transformation of the sector and address the difficulties faced by graduates who require experiential training that will enable them to register as professionals
- ii. Assessment of all current infrastructure projects for compliance with targets for women and youth development in line with the Employment Equity Act as amended in 2019 and the National Policy Framework for Women's Empowerment and Gender Equality of 2000. This intervention will accelerate the slow pace of women and youth empowerment that has characterised the Built Environment sector for too long
- iii. Assessment of all current projects for compliance with enterprise development KPIs in the form of contract participation goals (CPG) in line with Board Notice 21 of 2013. This intervention will address all bottlenecks in the development of emerging professional practices who struggle to get contracts that will enable them to grow their capacities and tap into big projects
- iv. Monitoring and evaluating compliance with the Construction Industry Development Board's (cidb) Standard for Developing Skills through Infrastructure Contracts as gazetted in 2013. The Gazette mandated that 0.5% of the tender value of general building contracts and 0.25% of the tender value of civil engineering contracts be allocated to workplace training on public sector contracts in cidb grades seven to nine
- v. The issues of professionals who do not have access to work
- vi. Demand and supply of Built Environment candidates from higher education institutions to work places
- vii. Tracking and monitoring procurement spend against transformation imperatives

Strategic Relationships

The CBE's strategic relations are rooted in the Republic of South Africa Constitution, 1996 (the Constitution), Intergovernmental Relations Framework Act 13 of 2005 and the King IV Report on Corporate Governance for South Africa (King IV™).

The Constitution provides that all spheres of government, and all organs of state within each sphere, must co-operate with each other in mutual trust and in good faith, by inter alia, fostering sound business relations and mutually assisting and supporting one another on matters of common interest. The Intergovernmental Relations Framework Act 13 of 2005 enriches this constitutional requirement and governance practice by promoting coherent government in the realisation of national priorities. The King IV™ principle 16 in particular, calls for the adoption of a stakeholder – inclusive approach that balances the needs, interests and expectations of material stakeholders.

Table 1: Material Stakeholders

Stakeholder Entity/Group	Influence	Interest	Power
Ministry of Public Works and Infrastructure	Mandatory and regulatory supervision and oversight	High	High
Councils for the Built Environment Professions (CBEP)	Strategic alignment and integration Statutory compliance	High	High
Voluntary Associations in the Built Environment	Capacity building Information dissemination	High	High
Built Environment Professionals (mentors and candidates)	Capacity building, participation in the CBE programmes	High	High
Institutions of Higher Learning offering Built Environment programmes	Capacity Building Aligning curricula with industry requirements Collaborations and sharing research information	High	High
Council on Higher Education	Setting Standards and accreditation	High	High
Infrastructure Departments (National, Provincial and Local)	Implementation of the CBE's Structured Candidacy Framework Enforcement of Built Environment standards User of registered Built Environment Professionals	High	High
The Public	Information sharing Compliance with Built Environment regulations Whistle-Blowing Users of registered Built Environment Professionals	High	High
Government/Polymakers	Legislators/ Amendment of legislation	High	High

The Year Ahead

The 2019/20 financial year was the last year of the CBE's 2015-2020 five-year strategy. The organisation has commenced with the implementation of the new five-year strategy and organisational re-design. The Covid-19 pandemic has impacted the Built Environment Professions financially. It is therefore prudent of the CBE to work with all Built Environment Professions and stakeholders to alleviate the impact of the Covid-19 pandemic. In this context, and with insight from the professions since the onset of the Covid-19 nation-wide lockdown, the CBE has undertaken a significant programme of proactive government engagement and advocacy.

Acknowledgements and Words of Appreciation

On behalf of the Council, I extend my appreciation to all our stakeholders for their continued support during the 2019/20 financial year. We recognise that maintaining your trust and support is pivotal to the CBE in delivering on its mandate. I wish to thank the Minister and Deputy Minister of Department of Public Works and Infrastructure, the Public Works and Infrastructure Portfolio Committee and my fellow Council members who have supported me with their counsel and valuable guidance throughout this period. In closing, I wish to extend my gratitude to the CBE staff, without whom the success of CBE would not be possible.



Dr Sitsabo Dlamini

Chairperson: Council for the Built Environment

Date: 31 July 2020

1.4 Chief Executive Officer's Overview



Priscilla Mdlalose
Chief Executive Officer

General Performance

During the 2019/20 financial year, the CBE continued to implement its key strategic priorities, which fully embrace Government's outcomes-based approach, and which contribute meaningfully to a skilled and capable Built Environment workforce to support an inclusive growth path, and to decent employment through inclusive growth.

The overall performance of the CBE against its annual targets for the 2019/20 financial year was 63% - this translated to the achievement of 12 out of 19 targets.

General Financial Review of the Reporting Period

The CBE's total revenue generated amounted to R60.243 million. The DPWI allocated R52.79 million to the CBE, while funders and levies contributed the remaining amount. The CBE also receives a levy income from the CBEP which contributed R2.110 million for professionals and candidates registered with them. Other sources of funding were the partnership funding revenue income of R4.391 million and interest of R0.921 million.

The CBE budgeted to receive income to the value of R60.750 million for the year. The actual total income collected amounted to R60.243 million which resulted in an undercollection of R0.507 million. The unfavourable variance was mainly due to:

- i. Delayed analysis of submitted claims by CETA placed under administration
- ii. CBEP levies undercollected by R0.253 million due to the Covid-19 National Lockdown, which resulted in reduced membership payments

Spending Trends

The CBE utilises the grant allocation to deliver on its planned projects in the APP, as well as priority projects identified during the year. The budgeted expenditure for the year was R60.750 million. The actual financial performance of the CBE resulted in a deficit of R0.627 million for the year. The detailed financial performance is outlined in the annual financial statements for the 2019/20 financial year in this report.

The actual expenditure incurred for the financial year amounted to R60.870 million (0.19% overspent), against the budgeted expenditure of R 60.750 million. The net unfavourable variance of R0.120 million arose from the following:

- i. No suitable service provider could be identified for the Microsoft 365 project, which resulted in a saving on computer expenses
- ii. Pending matter in the Labour Court to have the former CEO's claim for unfair dismissal dismissed was put on hold, pending the outcome of the investigation of a whistle-blower hotline tip-off. The funds allocated for such legal action was therefore not utilised
- iii. Contractual commitments for SCM Training, Radio and TV interviews, probity audit, maths and science project and tip-off investigation were not included in actual expenditure, but considered as non-cancellable commitments and therefore funded by the current year budget even though services will be delivered in the new financial year
- iv. Prior year committed funds utilised for the investigation of irregular expenditure, internal audit fees, Maths and Science support programme, training and computer expenses (i.e. database for unemployed Built Environment candidates and professionals, Electronic Built Environment System and laptop purchases). These differences were offset against the savings highlighted above

Capacity Constraints and Challenges

- a) The slow growth in the core baseline funding and increased costs of compliance is an ongoing challenge, which is not sustainable without focussed efforts. The increasing governance and compliance demands continue to precipitate unfunded additional investments in human capacity in the organisation
- b) Programme 1.1 annual target was not achieved. One hundred percent of the processes in the COBIT 5 Continuous Improvement Road Map were not implemented. The Information Communications Technology (ICT) Governance Framework was not approved. The framework will be sent to the relevant committee for approval
- c) Programme 1.2 annual target was not achieved. The Integrated Electronic Built Environment System (IEBES) was not implemented in the six CBEP. The integration happened with four CBEP, complete with Integration discussion. The two remaining CBEP are implementing independent systems that will integrate with the IEBES. The CBE will work with these two CBEP to integrate their systems to the CBE's by the end of the first quarter of the new financial year
- d) Programme 1.3 target was not achieved due to the final sign off not completed
- e) Programmes 4.2 and 4.3 were not achieved. The workshop did not happen due to the Covid-19 Lockdown- The Covid Emergency Plan proposed Written Notes as an alternative to meetings and workshops, which was sent out to replace the workshop. No responses were received from the participants
- f) Programme 4.4 target was not achieved. The final report on progress by the CBEP on the alignment of their policies with the Ministerial approved Policy Frameworks was developed; however, it was not submitted to the Ministry
- g) Programme 4.5 target was not achieved. Due to the Covid-19 lockdown, the CBEP cancelled their scheduled Council meetings for the approval of the strategic plan document. The CBE was therefore unable to submit Strategic Plans and APP of the CBEP to DPWI. They have advised that the documents will be submitted in the first quarter of the new financial year

Requests for Rollover of Funds

National Treasury approved the CBE's request to retain and utilise the surplus funds of R0.335 million for the training facility upgrade during the 2019/20 financial year. A request for current year surpluses amounting to R2.001 million will be made to National Treasury.

Supply Chain Management

The CBE developed, approved and implemented supply chain management guidelines. The procurement plan for 2019/20 financial year was submitted as required by the prescripts. The CBE ensured that suppliers submitted SBD 4, 8 and 9 forms during procurement, and instituted mechanisms to ensure payments within 30 days. Irregular expenditure identified was dealt with in terms of National Treasury prescripts. Supply chain management guidelines and prescripts assisted in reducing irregular expenditure. The Department has a Bid Adjudication Committee, and appoints a Bid Specification Committee and Bid Evaluation Committee on an ad-hoc basis, depending on the goods or services required.

The CBE's controls and system implemented has resulted in the CBE not incurring any new irregular expenditure.

Unsolicited Bid Proposals

The CBE's Supply Chain Policy discourages unsolicited bids. None were considered during the reporting period.

Audit Report on Matters from the Previous Year

During the year under review, the CBE's audit findings matrix monitored and tracked the implementation of recommendations made by the Auditor-General South Africa (AGSA) and the internal auditors. The Audit and Risk Committee reviewed and recommended the matrix for approval.

Outlook/ Plans to Address Financial Challenges

The CBE finds itself under severe funding constraints to meet all its desired programmes. Alternative funding mechanisms will be explored to pool resources for a bigger impact on smaller projects. The CBE will develop a revenue enhancement strategy in the 2020/21 financial year, outlining plans to increase revenue outside of the DPWI grant.

Discontinued Activities/Activities to be Discontinued

The CBE did not discontinue any of its activities during the 2019/20 financial year.

Events after the Reporting Date

The Covid-19 pandemic and its consequent closure of construction sites and lockdown measures will clearly have an even more severe impact on business activity in the coming months. This will negatively impact the Built Environment Professions and their respective budgets due to the anticipated spike in loss of work and income. As primary stakeholders in the Built Environment sector the CBE, the six CBEP and voluntary organisations need to look beyond the next few months into the medium to long-term, and start to think about how to return the economy to growth. We look forward to working with Government to ensure construction plays a key role in any recovery programme.

Economic Viability

The CBE remains a strong and financially viable organisation as a going concern. A Government Grant and levies from the six CBEP, who depend solely on registration fees from their professionals, sustains the CBE.

Acknowledgement

I wish to place on record my sincere appreciation for the support and leadership of the Minister and Deputy Minister of DPWI during the period under review.

My gratitude also goes to the CBE Council and its various committees, as well as the CBE staff for their dedication in ensuring that the CBE's mandate was implemented.



Ms Priscilla Mdlalose

Chief Executive Officer

Date: 31 July 2020

1.5 Statement of Responsibility and Confirmation of Accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the External Auditors.

The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) has been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards, applicable to the Council for the Built Environment.

The accounting authority is responsible for the preparation of the annual financial statements and for judgements made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control has been 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 are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report reflects the operations, performance information, human resources information and the financial affairs of the Council for the Built Environment fairly for the financial year ended 31 March 2020.

Yours faithfully



Chief Executive Officer

Ms Priscilla Mdlalose

Date: 31 July 2020



Chairperson: Council for the Built Environment

Dr Sitsabo Dlamini

1.6 Strategic Overview



1.7 Legislative Mandates

The CBE is a Schedule 3A Public Entity as per the PFMA. The CBE is a statutory body that has been in existence since the enactment of the CBE Act in 2000. It is an entity of the National Department of Public Works and Infrastructure. The CBE is essentially responsible for regulating the following Councils for the Built Environment Professions in South Africa - Architecture, Landscape Architecture, Engineering, Project and Construction Management, Property Valuation and Quantity Surveying.

The objectives of the CBE as per section 3 of the CBE Act are to:

- promote and protect the interest of the public in the built environment;*
- promote and maintain a sustainable built environment and natural environment;*
- promote ongoing human resources development in the built environment;*
- facilitate participation by the built environment professions in integrated development in the context of national goals;*
- promote appropriate standards of health, safety and environmental protection within the built environment;*
- promote sound governance of the built environment professions;*
- promote liaison in the field of training in the Republic and elsewhere and to promote the standards of such training in the Republic;*
- serve as a forum where the built environment professions can discuss relevant issues; and*
- ensure uniform application of norms and guidelines set by the councils for the professions throughout the built environment.*

1.7.1 Functions, Powers and Duties of the Council (section 4 of the CBE Act)

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 Minister¹ 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;
- (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;

¹ Minister of Public Works and Infrastructure

- (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.

1.8 Other Legislative Mandates

The scope of the CBE and councils for the professions in the built environment value chain is to regulate those Built Environment Professions who conceptualise, design, build, maintain and transfer social and economic infrastructure. The CBE executes its mandate from the CBE Act, while also being mindful of the following legislations, regulations and policies:

Table 2: 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.
Property Valuers Profession Act, 2000	To provide for the establishment of the Council for the Property Valuation Profession and matters incidental thereto.
Project and Construction Management Professions 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.
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.
Skills Development Act 97, 1998	To govern training, education and skills development in the workplace.

Short Title of the Act	Purpose of the Act
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	(1) Maximises the degree to which unclassified geographic information from various sources can be made electronically compatible and accessible; and (2) Promotes the development of interoperable geographic information systems technologies that shall- (a) allow widespread, low-cost use and sharing of geographic data by National, Provincial, local governments and state entities, and the public; and (b) enable the enhancement of services using geographic data.
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.
National Archives of South Africa Act, 1996	Provides for the proper management and care of the records of governmental bodies; and the preservation and use of a national archival heritage.
King IV Report on Corporate Governance for South Africa 2016	Ethical and effective leadership is at the heart of King IV™. The 17 basic principles are universally applicable to all organisations, and all are required to substantiate a claim that good governance is being practised.

1.9 Accountability Structures

The CBE has accountability structures that direct, manage and hold the organisation accountable. These are based on the CBE Act, the Public Finance Management Amendment Act (PFMA) (Act 29 of 1999), and the National Treasury Reporting Framework. In addition, the CBE subscribes to the requirements of the King IV Report on Corporate Governance for South Africa (King IV™). Parliament, through the Parliamentary Portfolio Committee (PPC) on Public Works of the National Assembly, maintains high-level oversight of the entity, while the Executive Authority (the Minister of Department of Public Works and Infrastructure) and the Accounting Authority (the CBE Council) are accountable for the entity.

1.10 Organisational Structure

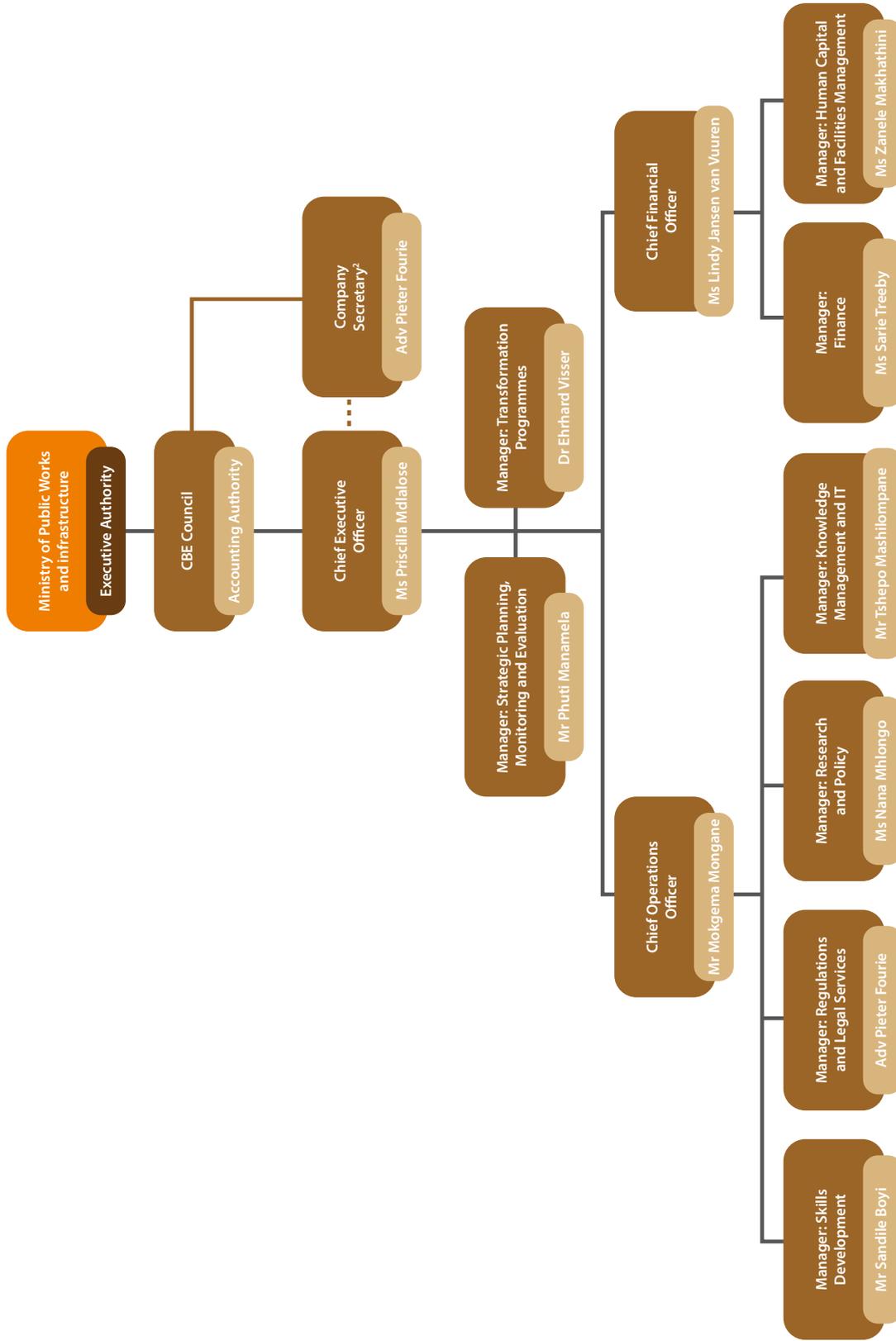


Figure 1: High-Level Organisational Structure

2 The Fourth Term Council resolved that the Manager: Regulations and Legal Services takes the role of the Company Secretary, and that the incumbent remains in position as Manager: Regulations and Legal Services whilst performing responsibilities of Company Secretary.

1.11 Stakeholder Engagements

The CBE's stakeholder outreach is embedded in its Stakeholder Management Strategy and Plan. The impetus behind the Stakeholder Strategy emphasises the CBE's need to enlist the stakeholder support to deliver on its mandate, and assume its rightful status as a leader and custodian of the Built Environment sector.

The objectives of the Stakeholder Management Plan are to:

- (i) lead and strengthen stakeholder management within the Built Environment
- (ii) position and profile the CBE in the Built Environment space
- (iii) build and foster relationships with key stakeholders within the Built Environment in order to operationalise its mandate

The CBE does much of its work with the assistance and cooperation of stakeholder support to discharge its following role functions:

- (1) Accountability and Compliance
- (2) Exercising its statutory mandate
- (3) Implementing Programmes
- (4) Information dissemination

1.11.1 Accountability

As a Schedule 3A Public Entity of the Department of Public Works and Infrastructure, it is a statutory requirement for the CBE to report on its performance to the following stakeholders:

- (i) Public Works Parliamentary Portfolio Committee
- (ii) The Minister of Public Works and Infrastructure
- (iii) Ministerial Committees - MinMec, MinTop and Technical MinMEC
- (iv) The Department of Public Works and Infrastructure
- (v) National Treasury
- (vi) The External Auditors
- (vii) Internal Auditors

Demonstrating accountability is in the form of quarterly and annual reports, presentations, and internal and external audits in compliance with the CBE Act and the PFMA.

During the period of reporting, the CBE delivered five presentations to the Public Works Parliamentary Portfolio Committee on the following dates:

- (i) 03 July 2019
- (ii) 30 August 2019
- (iii) 10 October 2019
- (iv) 23 October 2019
- (v) 26 February 2020

In respect of Ministerial Committees, the CBE attended:

- | | |
|--|---|
| (i) MinMEC meetings | 2 |
| (ii) Technical MinMEC | 1 |
| (iii) Minister's quarterly performance review meetings | 2 |
| (iv) MinTop meeting | 1 |

1.11.2 Exercising the CBE Mandate

Councils for the Built Environment Professions (CBEP)

The CBE was established through the CBE Act to exercise oversight over the six CBEP, rendering them a primary stakeholder group in the CBE's stakeholder grid. At an Executive level, regular engagement with the CBEP occurs through the:

- (i) Registrars Committee

Four of these quarterly meetings were convened during the 2019/20 financial year.

- (ii) Presidents Forum (quarterly meeting)

The CBE has expanded its list of councils of built environment professions to include the South African Council of Planners (SACPLAN).

Representation on the CBE Council

The six CBEP are represented on the CBE Council to adopt streamlined decision-making and a coherent approach in the implementation of the CBE Act in Built Environment issues.

Built Environment Professionals (BEPs)

The CBEP are regulators who register professionals in appropriate categories of registration. The CBE, by virtue of its mandate in section 21(4), is an important leg in the triad of appeal hearings for professionals and applicants for registration who are not satisfied with the outcome of their grievance with CBEP in respect of their:

- (i) Application for registration
- (ii) Outcomes of disciplinary hearings

For the year under review, the CBE conducted 15 appeal hearings.

The CBE is also an appeal body for members of the public being dissatisfied with any decision taken by a CBEP. The public as end-users of professional services can, through an appeal to the CBE, challenge the outcome of investigations undertaken by CBEP against registered persons following complaints.

Voluntary Associations (VAs)

The CBE works through the CBEP tier to enlist the support of their voluntary associations to reach the professions, secondary stakeholders and the public on Built Environment matters.

1.11.3 Implementing Programmes

The CBE implements its mandates through five operational Programmes. The geographic country-wide reach of its mandate, exacerbated by constrained budget and capacity make it imperative for the CBE to work collaboratively with Programme-relevant stakeholders to effect delivery. These are in the categories of:

- (i) Government Infrastructure Departments (National, Provincial, Local)
- (ii) State Owned Entities
- (iii) Tertiary Institutions
- (iv) Non-Governmental Organisations
- (v) Regulatory Bodies
- (vi) Sector training authorities

The CBE conducts Stakeholder Liaison with Programme-relevant stakeholders through mechanisms such as:

- a) Memoranda of Understanding
- b) Written notes inviting input on Programme related matters
- c) Collaborations
- d) Events

Stakeholder Liaison relevant to Programme execution is detailed under the performance of each Programme.

1.11.4 Information Dissemination

The CBE conducts and participates in awareness of itself and its mandate through various public platforms such as traditional, online and social media, the CBE website, career expos for schools and tertiary institutions, and public speaking opportunities at stakeholder events. Information dissemination focuses on:

- (i) CBE's services offered to the public
- (ii) Careers in the Built Environment
- (iii) Annual Transformation Indaba
- (iv) Topical Built Environment sector issues

The table below details the CBE's stakeholder initiatives to disseminate information on its mandate and services:

Table 3: Stakeholder Engagements to Drive Awareness on the CBE

NO	DATE	STAKEHOLDER	DETAILS
1	3 April 2019	Media – Brandslive Internet Radio	CBE's COO interviewed on mafia tactics on construction sites
2	5 April 2019	State Owned Entity - Sanral	Career Expo in George (Western Cape)
3	9 April 2019	DPWI Minister's Office	Career Expo in Secunda (Mpumalanga)
4	24 April 2019	Media – Sunday Times	CBE's response to the floods in KwaZulu-Natal
5	17 May 2019	BE Communications Forum	Develop common Communications messages for the Built Environment
6	24 May 2019	Association of South African Quantity Surveyors (ASAQS)	CBE update on IDoW on ASAQS website
7	10 July 2019	Minister of DPWI	Exhibition at Parliament – Minister's Budget Vote Speech
8	15 July 2019	Media - Power FM	CBE's COO interviewed on CBE's mandate
9	18 July 2019	NGO – Tswelopele Care Centre (Atteridgeville)	Mandela Day: painting project
	26 July 2019	Media - SABC	CBEP - SACPCMP Career Expo at Menlyn Mall
10	23 August 2019	United Nations Gender Alliance Unit	CEO interviewed for research on the role of women in the Built Environment
11	30 August 2019	Public Works Parliamentary Portfolio Committee	Orientation visit to CBE
12	3 April 2019	Media – Brandslive Internet Radio	CBE's COO interviewed on mafia tactics on construction sites
13	30 August 2019	Creamer Media – Engineering News	Policy implementation a key challenge
14	25 September 2019	Media – Daily News	Article: Indaba transforming by breaking barriers
15	25 September 2019	Media – Cape Argus	Article: Indaba transforming by breaking barriers

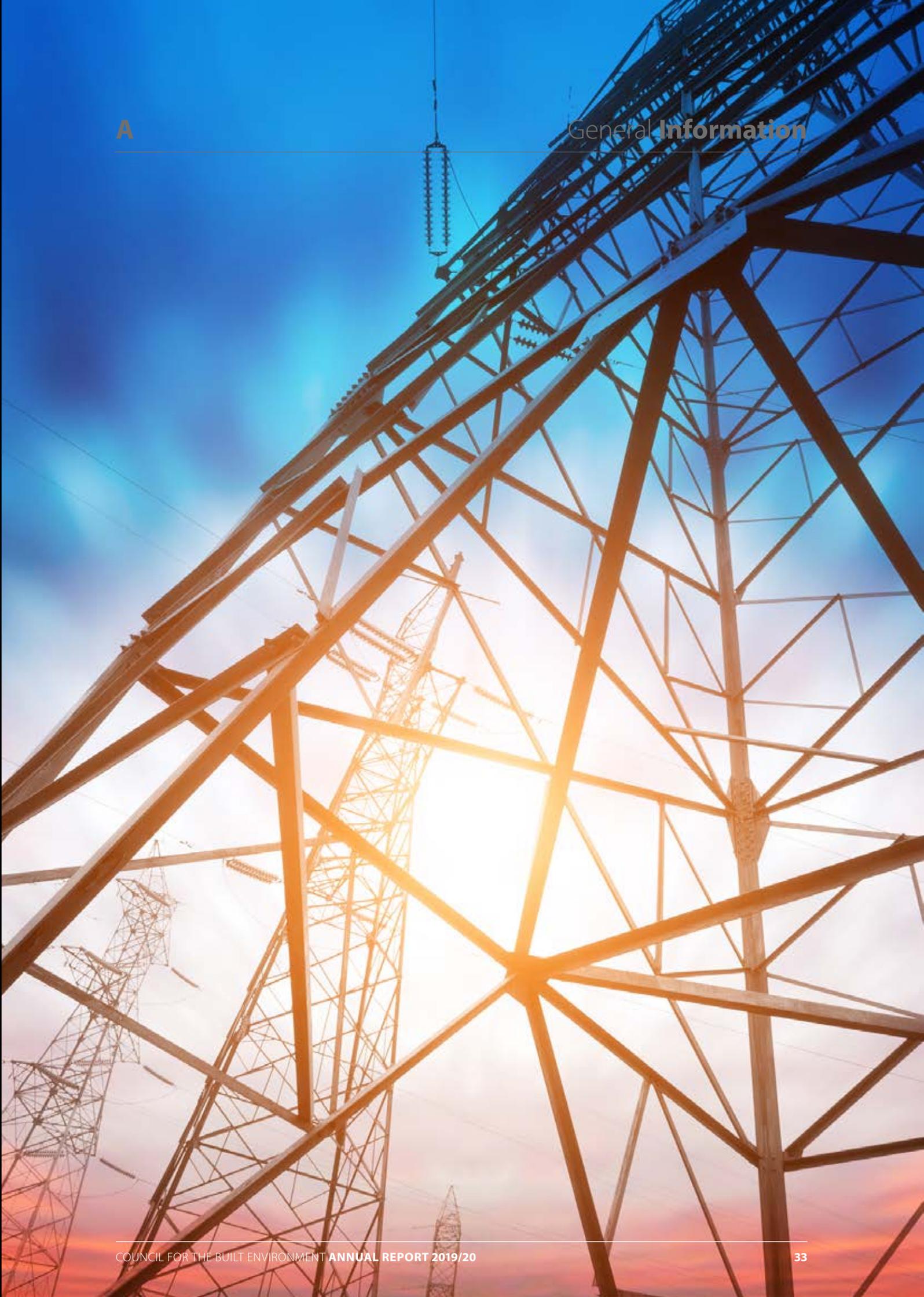
NO	DATE	STAKEHOLDER	DETAILS
16	9 October 2019	Creamer Media – (online)	Article: CBE Indaba identifies persistent built environment transformation barriers
17	9 October 2019	Media - VTV Productions (online)	CBE's Transformation Indaba: https://youtu.be/0T2uwqBlhvQ https://youtu.be/s702Nq6-MTw https://youtu.be/67OyBXM054E
18	11 October 2019	Media - Moneyweb (online)	Article: Micro-enterprises to get a boost from changes to procurement rules
19	15 October 2019	Media - Moneyweb (online)	Article: Council for Built Environment facing competition compliance challenges
20	25-31 October 2019	Creamer Media – Engineering News	Article: Barriers Persist
21	30 October 2019	Mercury Media (online): http://www.engineeringnews.co.za/article/lack-of-quantity-surveyors-in-govt-depts-the-root-of-infrastructure-budget-misspending-2019-10-29/rep_id:4136 https://www.researchchannel.co.za/login.php?url=/article/lack-of-quantity-surveyors-in-govt-depts-the-root-of-infrastructure-budget-misspending-2019-10-29 https://www.iol.co.za/business-report/economy/lack-of-quantity-surveyors-in-govt-depts-the-root-of-infrastructure-budget-misspending-36202549 https://city-press.news24.com/News/more-quantity-surveyors-in-state-departments-may-root-out-corruption-20191029	Article: More quantity surveyors in state departments may root out corruption
22	31 October 2019	Tertiary Institution – University of Pretoria (UP)	Article on UP website: Memorandum of Understanding signed between the University of Pretoria and the Council for the Built Environment
23	14 November 2019	Department of Public Works and Infrastructure (DPWI) Communications Forum	Streamlining DPWI Communications messages and interventions

Sector Newsletter

The *CBE Bulletin* is another information dissemination mechanism. It is an online, monthly newsletter intended to reach out to Built Environment stakeholders with sector-related information. Eleven issues of the CBE Bulletin published during the year under review.

Transformation Indaba

The CBE's annual Transformation Indaba is the highlight on the stakeholder events calendar. In its three-year lifespan, it attracts Built Environment sector stakeholders from across the country to deliberate on issues of common concern with the intent of plotting a way forward to expedite the issues. During the year under review, the CBE convened its third annual Transformation Indaba on 9-10 October 2019 at Diep in die Berg in Pretoria. Details of the event and its deliberations are reported under the Programme.





The CBE is a Schedule
3A Public Entity of the
National Department of
Public Works and
Infrastructure



PART B **PERFORMANCE** **INFORMATION**

COUNCIL FOR THE BUILT ENVIRONMENT

2. Performance Information

2.1 The Independent Auditor's Report: Predetermined Objectives

Nexia SAB&T, in its capacity of external auditor currently performs the necessary audit procedures on the CBE's 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 this report, with material findings reported under *Predetermined Objectives* in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 120 of the Auditors Report, published as Part E: Financial Information.

2.2 Situational Analysis

Service Delivery Environment

The CBE is a Schedule 3A Public Entity as per the PFMA. It is a statutory body in existence since the enactment of the CBE Act. It is an entity of the National Department of Public Works and Infrastructure. The CBE is essentially responsible for regulating the following Built Environment Professions in South Africa - Architecture, Landscape Architecture Engineering, Property Valuation, Project and Construction Management Professions, and Quantity Surveying in the Built Environment lend valuable support to development initiatives of Government through, among others:

- (a) structured advice on development proposals and policy issues
- (b) mobilising expertise for implementing development projects from the public the and private sectors
- (c) compiling development specifications and standards

The CBE is entrusted with powers and duties to ensure:

- (i) Government has access to the coordinated support of the professions with regard to national development priorities and the regulation of the professions
- (ii) coordination of the various professional regulatory systems
- (iii) coordination between the professions to support matters of high priority for the country

The CBE's performance is measured against the Key Performance Indicators (KPIs). The overall performance of the CBE against its annual targets for the 2019/20 financial year was 63% (translated as 12 of 19 targets achieved).

The KPI targets not achieved are outlined below.

Programme 1.1 annual target not achieved. One hundred percent of the processes in the COBIT 5 Continuous Improvement Road Map were not implemented by 31 March 2020. The Information Communications Technology (ICT) Governance Framework was not approved. The framework will be sent to the relevant committee for approval.

Programme 1.2 annual target was not achieved. The Integrated Electronic Built Environment System (IEBES) was not implemented in the six CBEP. Integration happened with four CBEP, with complete integration discussion. The two remaining CBEP are implementing independent systems that will integrate with the IEBES. The CBE will work with these two CBEP to integrate their systems to the CBE's by the end of the first quarter of the new financial year.

Programme 1.3 target was not achieved due to the final sign off not completed.

Programmes 4.2 and 4.3 were not achieved. The workshop did not happen due to the Covid-19 Lockdown. The Covid Emergency Plan proposed Written Notes as an alternative to meetings and workshops, which was sent out to replace the workshop. No responses were received from the participants.

Programme 4.4 target was not achieved. The final report on progress by the CBEP on the alignment of their policies with the Ministerial approved Policy Frameworks was developed; however, it was not submitted to the Ministry.

Programme 4.5 target was not achieved. Due to the Covid-19 lockdown, the CBEP cancelled their scheduled Council meetings for the approval of the strategic plan document. The CBE was therefore unable to submit Strategic Plans and APP of the CBEP to DPWI. They have advised that the documents will be submitted in the first quarter of the 2020/21 financial year.

The highlights for the year under review were:

The CBE enrolled 152 learners in the Maths and Science support programme – six exited the programme and two did not write the National Senior Certificate (NSC) examinations. Of the 144 learners who wrote the examination, 42 may be accepted at universities of technology (UoTs) and 55 at historical universities.

Fifty-four candidates were mentored in the Structured Candidacy programme from the provinces of North West, Free State, Northern Cape, Western Cape, Limpopo and Gauteng. Four candidates achieved professional registration, and two submitted their registration applications with the Engineering Council of South Africa (ECSA).

The CBE exceeded its annual target by placing 167 Built Environment students for Work Integrated Learning (WIL). There was a positive variance of 67. Out of the supported 167 students, 95 completed their WIL programme.

An oversight report on the accreditation of academic programmes undertaken by the CBEP, was developed and submitted to the Built Environment Matters Committee (BEMC).

During the 2019/20 financial year, three National departments and two Metropolitan Municipalities were engaged on the implementation of the CBE Structured Candidacy Framework.

Twelve collaborative engagements and one Built Environment Indaba were hosted by 31 March 2020. The CBE hosted its third National Transformation Indaba on 9 and 10 October 2019. In addition, the following four Transformation Collaborative Forums were successfully convened following the National Transformation Indaba:

- 1) Procurement Policy and Legislation (including The Roster System)
- 2) Women Empowerment and Gender Equality
- 3) Occupational Special Dispensation (OSD)
- 4) Skills Pipeline

One research report that analysed the best practices of models/systems equivalent to the Standards for Infrastructure Procurement and Delivery Management (SIPDM) was developed.

One advisory report that analysed the state of compliance with health and safety regulations by the CBEP was developed.

One research report on the potential impact of the Fourth Industrial Revolution (4IR) on Expanded Public Works Programme (EPWP) practices was developed.

One research report on the viability of an implementation plan to incorporate digitalisation and technologies of 4IR into BE academic curricula was developed.

Fourteen of the fifteen appeals due for decision were decided within the statutory time limit of 60 days. The fifteenth appeal, lodged during the fourth quarter, is due for decision during the first quarter of the 2020/21 financial year.

Organisational Environment

The Knowledge Management and Information Technology (KMIT) function moved to report under the stewardship of the Chief Operations Officer (COO) within the Operations Division. Having abolished the position of the IT Systems Administrator, two positions of Senior IT Technician and Junior IT Administrator were created. The Junior IT Administrator position was filled at the end of the financial year. A delay was experienced in filling the Senior IT Technician position due to poor interview feedback. A new recruitment process is currently in progress.

Three positions - in the Strategic Planning and Monitoring; Research and Policies and Regulations and Legal Services Departments – which became vacant in August, December and January respectively, remain vacant. These have been put on hold while capacity is being reviewed within the three departments. These and other capacity constraints that may still be identified will be taken into consideration during the organisational structure review scheduled to start in the new financial year.

The number of employees who left, as a percentage of total employment, was 8.33%. There were three resignations.

Challenges Faced by the CBE

Policies are reviewed and approved on an annual basis; however, approval was delayed due to Council’s new terms that required vetting and more time to study policies before approval. Nineteen out of 22 policies were reviewed and approved.

The following challenges further confronted the CBE during the financial year:

- (a) Vacancies on Council were not filled within the statutory time limit
- (b) Governance challenges at the CBEP continued to test the relationship between the CBE and CBEP
- (c) Covid-19 National Lockdown

Policy Development and Legislative Changes

The DPWI published its ‘Draft BEP Policy, 2014’ as Notice 370 of 2014 in the Government Gazette No. 37653 on 23 May 2014. DPWI has started the process of amending the CBE Act and the professions Acts of the six CBEP. The CBE engaged with its stakeholders for input and submitted the first draft of proposed revisions to DPW on 06 November 2017.

2.3 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:

Table 4: Strategic Outcome-Oriented Goal 1

Strategic goal 1	Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE.
Goal statement	A capacitated organisation that is able to deliver on its mandate.
Programme name	Programme 1: Administration
Justification	Improving ICT performance and ensuring alignment to Governance processes, as per the Department of Public Service Administration (DPSA) guidelines. Improving the financial performance of the CBE by ensuring compliance with financial frameworks.
Link to national outcome(s)	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.
Related strategic objectives	1.1 Capacitate CBE to respond to Government priorities within the BE. 1.2 Ensure good governance and a sound control environment.

Table 5: Strategic Outcome-Oriented Goal 2

Strategic goal 2	A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery, operation and maintenance needs.
Goal statement	A well-functioning BE skills pipeline that is demographically and gender representative, and supports national infrastructure delivery.
Programme name	Programme 2: Skills for Infrastructure Delivery
Justification	Strategic Infrastructure Projects (SIPs) form the core of Government's planned infrastructure delivery programme, and BE skills are at the centre of infrastructure delivery. Transformation and the lack of adequate technical skills are affecting the spending of infrastructure budgets, leading to lower economic growth and the perpetuation of poverty, inequality and unemployment. The Built Environment Professions (BEPs) must reflect appropriate quality and quantity to meet the planned infrastructure delivery, operation and maintenance needs of the country while adhering to transformational targets.
Link to national outcome(s)	This Programme is responding to section 3(c) of the CBE Act <i>to promote ongoing human resource development in the built environment</i> , and translates into the following outcomes: Outcome 1: Quality basic education Outcome 4: Decent employment through inclusive economic growth Outcome 5: Skilled and capable workforce Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 14: Transforming society and uniting the country
Related strategic objectives	Projects to support SIPs identified high demand skills professions - Engineers, Quantity Surveyors, Construction and Project Managers, Landscape Architects, Property Valuers, Town Planners, Land and Engineering Surveyors and Geographic Information Systems (GIS) professionals. <ul style="list-style-type: none"> • Initiatives to implement the CBE Transformation Model as amended, to increase the representation of previously disadvantaged groups in the BEPs. • BE candidates/graduates and interns benefit from quality assured workplace training.

Table 6: Strategic Outcome-Oriented Goal 3

Strategic goal 3	An optimally functioning BE 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 a well-functioning and resourced BE research, knowledge management and information resource.
Programme name	Programme 3: Built Environment Research, Information and Advisory
Justification	Sections 4 a, d, and e of the CBE Act impel the CBE to offer advice to the Minister on BE matters, while the dynamic and changing BE sector requires regulatory intelligence to fine-tune Government's planning and infrastructure investment.
Link to national outcome(s)	Outcome 4: Decent employment through inclusive economic growth Outcome 7: Comprehensive rural development Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: Responsive, accountable, effective and efficient local government Outcome 10: Protect and enhance our environmental assets and natural resources
Related strategic objectives	Provide informed and researched advice to Government on BE priority matters identified in the 2014-19 MTSF.

Table 7: Strategic Outcome-Oriented Goal 4

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, while complying with legislative requirements.
Programme name	Programme 4: Regulation and Oversight of six CBEP
Justification	<p>1. The relevant sections of the CBE Act are:</p> <p>section 3(f): promote sound governance of the built environment professions section 4(m): act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions section 4(i): advise the councils for the professions on matters of national importance where the needs of State, as communicated to the council through the relevant Minister, require joint and co-ordinated action by the built environment professions</p> <p>2. To ensure that the six CBEP respond to DPW's concerns of:</p> <ul style="list-style-type: none"> Lack of alignment to government policy Lack of accountability to Government and Parliament through non-compliance with the PFMA Alignment of the CBEP' Strategic Plans and Annual Performance Plans to those of DPW and CBE, and its contribution to national priorities.
Link to national outcome(s)	<p>1. This Programme is responding to the mandates in sections 20 and 21 of the CBE Act 43 of 2000.</p> <p>2. It is also contributing to the following outcomes of DPW:</p> <p>Outcome 13: Social protection Outcome 10: Protect and enhance our environmental assets and natural resources</p>
Related strategic objectives	<ul style="list-style-type: none"> To act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions, and to promote and enhance high standards of professional ethics within the BE Alignment, by the six CBEP, with the CBE's Corporate Governance Framework Adoption and implementation, by the six CBEP, of the CBE Monitoring and Evaluation Framework

Table 8: Strategic Outcome-Oriented Goal 5

Strategic goal 5	A built environment that is responsive to the developmental and economic priorities of Government.
Goal statement	A BE that is aligned with environmental, health and safety legislations, and contributes to service delivery, job creation, poverty alleviation and economic development.
Programme name	Programme 5: Government Policies and Priorities
Justification	<ul style="list-style-type: none"> Curricula and the education of BEPs, embodied in educational programmes, influence their knowledge in infrastructure design and its performance against the goals of health and safety, environmental sustainability and job creation through labour intensive construction. This becomes their contribution to job creation, poverty alleviation and sustainable economic development. National standards set the conceptualisation and design parameters of infrastructure projects; therefore, it is imperative that they reflect adequate standards and performance criteria towards appropriate outcomes in health and safety, environmental sustainability and job creation through labour-intensive construction, operation and maintenance.

<p>Link to national outcome(s)</p>	<p>This Programme is responding to the following mandates of the Act:</p> <p>section 3(c): <i>promote ongoing human resource development in the built environment</i> section 3(d): <i>facilitate participation by the built environment professions in integrated development in the context of national goals</i> section 3(e): <i>promote appropriate standards of health, safety and environmental protection within the built environment</i> section 4(a): <i>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</i></p> <p>It is contributing to the following outcomes of the DPW:</p> <p>Direct outcomes Outcome 4: decent employment through inclusive growth (Chapter 3 of the NDP) Outcome 6: an efficient, competitive and responsive economic infrastructure network (Chapter 4 of the NDP) Outcome 12 an efficient, effective and development orientated public service (Chapter 13 of the NDP)</p> <p>Indirect outcomes Outcome 2 - A long and healthy life for all (Chapter 10 of the NDP) Outcome 5 – A skilled and capable workforce to support an inclusive growth path (Chapter 9 of the NDP) Outcome 8 - Sustainable human settlements and improved quality of household life (Chapter 8 of the NDP) Outcome 10 - Protect and enhance our environmental assets and natural resources (Chapter 5 of the NDP)</p>
<p>Related strategic objectives</p>	<p>BE academic curricula and Continuous Professional Development (CPD) programmes that embody issues of health and safety in construction, environmental sustainability and job creation through labour intensive construction, as well as the Infrastructure Delivery Management System (IDMS).</p>

2.4 Performance Information by Programme

The CBE implemented its 2019/20 APP through five Programmes. The composition of the Programmes changed. The Administration component from the former Programme 1 (Government Policies and Priorities) now stands alone in a 'revised' Programme 1. The Government Policies and Priorities component of the former Programme 1 now stands alone in a 'new' Programme 5. Programmes 2, 3 and 4 remain as they were. Therefore, the revised Programmes are:

- Programme 1: Administration
- Programme 2: Skills for Infrastructure Delivery
- Programme 3: Built Environment Research, Information and Advisory
- Programme 4: Regulation and Oversight of six BEPCs
- Programme 5: Government Policies and Priorities

2.4.1 Programme 1: Administration

The administrative function provides support to the entire CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals. The focus areas are ICT and financial support services. IT will continue to develop and deliver systems that are user-friendly and meet the expectations of users. CBE is planning for an unqualified opinion, with no findings (clean audit). A financially unqualified opinion with no findings, commonly known as a clean audit opinion, are unqualified financial statements with no reported audit findings, in respect of either reporting on predetermined objectives or compliance with key legislation. The Programme is underpinned by fair and transparent business practices and the responsibility to drive organisational-level compliance, through a system of policies and legislative frameworks.

To achieve the above, Administration's targets for the year were the following:

2.4.1.1 100% of the processes implemented in the Continuous Improvement Road Map by 31 March 2020 – **Not Achieved.**

The Continuous Improvement Road Map helps to optimise IT in the CBE environment and ensures ICT governance compliance.

The road map includes monitoring and reporting on ICT Governance as per the Department of Public Service Administration (DPSA) guidelines and COBIT 5 best practice. This target is to enable and support CBE's business through policy and procedures, ICT infrastructure and Knowledge Management Systems (electronic records, document management systems and archiving) that must comply with ICT governance policy framework and ensure continuous improvement of the governance.

The activities undertaken were as follows:

- (i) Gap Analysis
- (ii) Identify specific COBIT 5 processes for implementation
- (iii) Close the identified gaps as part of the continuous improvement
- (iv) Implement the identified COBIT 5 Processes

The annual target was not achieved. Hundred percent of the processes in the COBIT 5 Continuous Improvement Road Map were not implemented by 31 March 2020. The ICT Governance Framework was not approved. The ICT Governance Framework will be sent to the relevant committee for approval in the new financial year.

2.4.1.2 An Integrated Electronic Built Environment System (IEBES) implemented in the six CBEP by 31 March 2020 – **Not Achieved.**

The Electronic-Built Environment (E-BE) System enables the CBEP to submit their reports on an online transacting platform. This E-BE System is centrally located at the CBE, accessible to all CBE stakeholders, with functionalities that meet their requirements. It addresses the challenge of data reporting experienced by the CBEP.

The target aims at improving the efficiency in the Built Environment processes through an electronic platform; hence the CBE embarked on a project to develop an Integrated Electronic Built Environment System (IEBES) that will assist in digitalisation of the CBE services.

The annual target was not achieved. Integration happened with four CBEP, with integration discussion complete. The remaining two CBEP are implementing independent systems that will integrate with the IEBES. The CBE will work with the two remaining CBEP to integrate their systems with that of the CBE by the end of the second quarter of the new financial year.

*2.4.1.3 A Knowledge Management e-portal platform implemented in the CBE by 31 March 2020 – **Not Achieved.***

The objective of the Knowledge Management e-portal platform is to create a Knowledge Management System (or portal) for use by students, the public, the CBE, Centre for Academic Research in the Built Environment (CARINBE) and the six CBEP.

The portal will also house the unemployment database module of candidates or professionals looking for opportunities, which the CBE can utilise to link potential employers in the Built Environment with suitable applicants.

The project focused on the implementation of the Knowledge Management E-Platform to different CBE stakeholders including CARINBE, students, researchers, publishers and the public.

The annual target was not achieved. A Knowledge Management e-portal platform was not fully implemented on the public interface by 31 March 2020 due to no official sign-off of the system.

*2.4.1.4 An unqualified audit report achieved on financial statements with no material findings for the 2018/19 financial year by 31 March 2020 – **Achieved.***

This project aimed to achieve a clean audit strategy through the implementation of sound financial management and internal controls. To achieve this target, the organisation needed to co-operate and work together to ensure compliance with policies and National Treasury prescripts.

The target was achieved. The CBE received a clean audit. Only two minor findings were raised. Action plans were developed and implemented to address these two findings.

Table 9: Programme 1: Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Strategic Objective: To ensure that the CBE has the necessary capacity and capability to support Government's development priorities within the BE.						
Strategic objectives	Overall Actual Achievement 2018/19	Planned Target 2019/20	Overall Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations	
To ensure that the CBE has the necessary capacity and capability to support Government's development priorities within the BE.	One	Four	One	Three targets were not achieved. The implementation report indicated that the ICT Governance Framework was not approved.	The Framework will be sent to the relevant committee for approval in the second quarter of the new financial year.	
				The remaining two CBEP are implementing their independent systems that will integrate with the IEBES.	The CBE will work with the two remaining CBEP to integrate their systems with that of the CBE by the end of the first quarter of the 2020/21 financial year.	
				The link to the public interface was completed; however, the official sign off was not completed.	The sign off will be completed by the end of the first quarter of the 2020/21 financial year.	

Table 10: 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.					
Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
1.1 Percentage of the Continuous Improvement Road Map implemented.	Not Achieved. A CBE IT Governance Framework, in line with DPSA's Corporate Governance of ICT Policy Framework, was not fully implemented (100%) by 31 March 2019.	100% of the processes implemented in the Continuous Improvement Road Map by 31 March 2020.	Not Achieved. 100% of the processes in the Continuous Improvement Road Map were not implemented by 31 March 2020.	The implementation report indicated that the ICT Governance Framework was not approved.	The Framework will be sent to the relevant committee for approval in the second quarter of the new financial year.
1.2 Integrated Electronic Built Environment System (IEBES) implemented.	Not Achieved. Development and testing were in-progress.	An Integrated Electronic Built Environment System (IEBES) implemented in the six CBEP by 31 March 2020.	Not Achieved. Integration has happened with four CBEP, with integration discussion complete.	The remaining two CBEP are implementing their independent systems that will integrate with the IEBES.	The CBE will work with the two remaining CBEP to integrate their systems with that of the CBE by the end of the second quarter of the 2020/21 financial year.
1.3 Knowledge Management E-Platform implemented.	-	A Knowledge Management e-portal platform implemented in the CBE by 31 March 2020.	Not Achieved. A Knowledge Management e-portal platform was not fully implemented in the CBE by 31 March 2020.	The link to the public interface was completed, however, the official sign off was not completed.	The sign off will be completed by the end of the second quarter of 2020/21 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.					
Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
1.4 Clean audit strategy implemented.	Achieved. CBE received a clean audit for 2017/18 financial year.	An unqualified audit report achieved on financial statements, with no material findings for the 2018/19 financial year by 31 March 2020.	Achieved. An unqualified audit report achieved on financial statements, with no material findings for the 2018/19 financial year by 31 March 2020.	None	None

Table 11: Programme 1: Linking Performance with Budget

Programme /activity/ objective	2018/19		2019/20		(Over) / Under Expenditure
	Budget	Actual Expenditure	Budget	Actual Expenditure	
Performance Indicators	R'000	R'000	R'000	R'000	R'000
1.1 Percentage of the Continuous Improvement Road Map implemented.	-	-	-	-	-
1.2 Integrated Electronic Built Environment System (IEBES) implemented.	1 214	263	951	3	-
1.3 Knowledge Management e-Platform implemented.	343	14	329	4	-
1.4 Unqualified audit report on financial statements.	-	-	-	-	-

3 The project is funded by prior year committed funds and a total value of R514 500 has been capitalised as an intangible asset

4 The project is funded by prior year commitment and a total value of R224 200 has been capitalised as an intangible asset

2.4.2 Programme 2: Skills for Infrastructure Delivery

The strategic objective of Programme 2 is to drive and facilitate Skills Development and Transformation within the BE.

This Programme is responding to the mandate section 3(c) of the Act: *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:

- (i) Strategic Infrastructure Projects (SIPs)
- (ii) Maths and Science support programmes
- (iii) Career Awareness
- (iv) Partnering with sister entities, CBEP and private sector organisations
- (v) Promoting and supporting BE candidates and interns in work places for structured training
- (vi) Promoting skills development to support the roll out of infrastructure delivery in the country
- (vii) Introducing the Structured Candidacy Programme in government departments and municipalities

For the 2019/20 APP, Programme 2 had six annual targets. All targets were achieved. The targets performed as follows:

2.4.2.1 150 Grade 12 learners enrolled and assessed in the CBE's Maths and Science support programme by 31 March 2020 – **Achieved.**

The Maths and Science support project's objective is to address the skills shortage of engineers and other Built Environment Professions. Mathematics and Physical Science are pre-requisites for enrolment for qualifications in the Built Environment sector; after the critical look at challenges at basic education level, it was clear that extra classes in Mathematics and Physical Science for grade 12 learners who failed them was a critical solution to address the poor pass rates in these two gateway subjects.

The objective of the 2019 academic year project was to partner with well-established organisations, in particular with Public Entities or Government Institutions to ensure that 150 grade 12 learners benefit from the Mathematics and Science support programmes at school level. In the 2019/20 financial year, the CBE supported schools in the Eastern Cape and Limpopo provinces.

The CBE partnered with Coega Development Corporation (CDC) and Jane Furse LEAP Science and Maths School. CDC provides Monday - Friday Maths and Science tutoring to learners who failed Maths and Science, but passed their other subjects well. The Jane Furse LEAP School offers extra Saturday classes.

The CDC was contracted to enrol 130 former grade 12 learners to attend classes from Monday to Friday to improve their Mathematics and Physical Science grades to further their studies at institutions of higher learning. The Jane Furse Leap Science and Maths school was contracted to enrol 20 grade 12 learners to offer learners extra classes on Saturdays and during the school winter holidays.

The annual target was achieved. The CBE enrolled 152 learners – six exited the programme and two did not write the National Senior Certificate examinations. CDC could not replace the learners who exited mid-year due to implications on the (replacement) students' baseline assessment (SBA) and the final assessment results. The SBA is the mark up of the learner's class work, assignments, tests and exams throughout the year. The SBA makes up 25% of the final assessment, while the summative assessment makes up 75%. Table 12 is an analysis of the Maths and Science results.

Table 12: Analysis of Maths and Science Results

OVERALL RESULTS						
SUBJECT	MATHS		SCIENCE		BOTH SUBJECTS	
Gender	F	M	F	M	F	M
Less than 40%	33	14	9	5	33	14
Diploma (40% to 49%)	27	14	20	9	27	15
Bachelor (50% to 74%)	25	25	54	38	25	25
Distinction (greater than 75%)	2	4	4	5	2	3
TOTAL	87	57	87	57	87	57

2.4.2.2 50 Candidates placed and assessed in workplace training by 31 March 2019 – **Achieved.**

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

On this programme, the CBE enrolled Built Environment graduates who are in full-time employment and who qualify to register as a candidate at their respective CBEP. Mentors, allocated to candidates, are scheduled to conduct three visits per annum to:

- interpret the outcomes from each of the CBEP to map out a generic training plan for the whole candidacy programme, with time lines
- conduct workplace assessments to establish which CBEP outcomes would be achievable at the workplace and discuss with the employer plans to close the gap for those not achievable
- ensure a structured workplace training plan that conforms to the requirements of the CBEP is in place
- monitor the candidates' progress on the structured workplace training plan up until the final CBEP interview

The annual target was achieved. Fifty-four candidates were placed in workplace training in the 2019/20 financial year. There was a positive variance of four. The mix of the candidates on the programme was from National and Provincial departments, State Owned Entities (SOEs) and private sector organisations who had no registered mentors in their workplace. The 54 candidates mentored were in the provinces of North West, Free State, Northern Cape, Western Cape, Limpopo and Gauteng. The CBE continued to provide support to 76 historic candidates from previous financial years. In the 2019/20 financial year, four candidates achieved professional registration, and two submitted their registration applications with the Engineering Council of South Africa (ECSA). Since the programme started in 2014, a total of 17 candidates registered as professionals.

The table below indicates the candidates per discipline.

Table 13: Candidates per Discipline

Employer	Total	Gender		SACLAP Landscape Architecture	SACQSP Quantity Surveying	SACPCMP		ECSA Civil Engineering
		Female	Male			Health and Safety Practitioners	Construction Project Manager	
North West Department Public Works and Roads (NW DPWR)	11	3	8	0	0	0	0	11
Department of Environmental, Forestry, and Fisheries (DEFF)	20	7	13	2	0	6	12	0
Independent Development Trust (IDT)	21	6	15	0	0	0	21	0
Private Sector	2	2	0	0	1	1	0	0
TOTAL	54	18	36	2	1	7	33	11

2.4.2.3 100 Interns placed and assessed for work integrated learning by 31 March 2020 – **Achieved.**

The aim of this project is for CBE to collaborate with universities of technology (UoTs) to place students in the industry to complete work integrated learning (WIL), a mandatory practical component, to graduate with a National Diploma. CBE negotiated Memoranda of Understanding (MoU) with UoTs to assess relevant workplaces, place students for a maximum period of 12 months, and monitor and assess the interns during this period. While the UoT identifies interns for the programme, the CBE utilises the Construction Education Training Authority's (CETA) qualifying criteria to evaluate them and conduct intern verification. CBE undertakes all the administration regarding the interns' training, including the payment of their monthly stipend.

The mentoring programme supports students in the early stages of their career development. More than a work placement, it is an opportunity for Part 1 final-year and Part 2 students to gain real insight into workplace practice with support from a mentor. The programme is equally popular with mentors as it is with mentees.

The annual target was achieved. The CBE exceeded the target by placing 167 students for work-integrated learning in the 2019/20 financial year. Of these, the CBE placed 133 interns, while 34 students are administered by the CBE through a partnership with the South African Council for Graduates (SACGRA). Of the 167 students placed, 95 completed their WIL programme, 10 resigned and 62 will be completing WIL during the 2020/21 financial year.

The table below indicates the qualifications of the students in the CBE WIL Programme.

Table 14: Qualifications and Status of Registered Students

Qualification	Number of Students			Status		
	Gender			Completed	Resigned	Yet to complete
	Male	Female	Total			
ND. Building	10	15	25	22	2	1
ND. Civil Engineering	14	6	20	11	0	9
ND. Mechanical Engineering	21	8	29	11	3	15
ND. Electrical Engineering	61	32	96	51	5	37
Total	106	61	167	95	10	62

2.4.2.4 An oversight report developed by 31 March 2020 on the accreditation of academic programmes undertaken by the CBEP – **Achieved.**

The Act mandates the CBE to ensure uniformity and consistent application of norms and standards in the six CBEP. Section 4(k)(i) of The Act empowers the CBE to ensure consistency in the application of the Policy Framework on accreditation for Built Environment academic programmes by the CBEP.

The Higher Education Quality Committee (HEQC) framework for the programme accreditation (2004) recognises the responsibilities of statutory councils for professional education, particularly on licences and other professional and work-based requirements.

In 2010, the CBE developed a Policy Framework on Accreditation of the Built Environment Programmes approved by the Minister in 2013. The objectives of the Framework are to:

- (i) ensure that built environment programmes conform to the requirements of the Higher Education Qualification Sub-Framework (HEQSF)
- (ii) elucidate the principles that should underpin the accreditation of Built Environment programmes by professional councils
- (iii) define the key minimum criteria for Built Environment programmes
- (iv) give effect to requirement of the CBE Act to ensure consistency in the application of the policy on accreditation within the CBEP

This project exercises oversight on the CBEP to ensure that public and private tertiary institutions adhere to an equitable and fair accreditation process. The CBEP are mandated to conduct accreditation on behalf of the Council on Higher Education (CHE), hence the procedures followed should be consistent and aligned to CHE's 19 Accreditation Criteria.

The CBE was invited to attend and participate in accreditation visits by the Engineering Council of South Africa (ECSA), the South African Council for Landscape Architecture (SACLAP) and by the South African Council for Quantity Surveying Profession (SACQSP) during the 2019/20 financial year. The visits were in support of the legislative mandate of the professional bodies which state that *"subject to the sections 5 and 7 of the Higher Education Act, 1997 (Act No. 101 of 1997), the council may conduct accreditation visits to any educational institution which has a department, school or faculty related to built environment qualifications and academic offerings, must conduct at least one such visit during its term of office"*.

The annual target was achieved. An oversight report on the accreditation of academic programmes undertaken by the CBEP, was developed and submitted to BEMC.

*2.4.2.5 Two national departments and two metropolitan municipalities engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2020 – **Achieved.***

The CBE developed a Structured Candidacy Framework to ensure that Built Environment candidates achieve maximum professional development and professional registration in the shortest possible time by:

- (i) CBE facilitating the assessment and accreditation of workplaces by CBEP
- (ii) organisations developing generic training plans for the profession in alignment with CBEP' competency profile
- (iii) organisations developing a detailed training plan per candidate
- (iv) CBE facilitating the training of mentors to undertake a formative assessment of each outcome according to South African Qualifications Authority (SAQA) requirements (NQF registered unit standard 115753 [Conduct outcomes-based assessment])
- (v) fairness, validity, reliability, practicability, etc.
- (vi) CBEP recognise formative assessments by mentors
- (vii) CBE accredits mentors

The annual target was achieved. The CBE engaged with three national departments and two metropolitan municipalities on the implementation of the CBE Structured Candidacy Framework by 31 March 2020. Mangaung Metropolitan Municipality's candidates do not receive work experience linked to the CBEP' outcomes, structured training and mentorship. Tshwane Metropolitan Municipality indicated that they focused more on artisan professions than technicians, technologist and professionals. Both metropolitan municipalities welcomed the CBE Structured Candidacy Framework as a timeous intervention when they are grappling with training for their technical staff. The CBE and the municipalities will look into signing a MoU to implement the Structured Candidacy programmes.

The Department of Energy (DoE) reported that their candidates' experiential training is not structured, and do not receive work experience linked to the CBEP's outcomes. The Department of Water and Sanitation (DWS) received the CBE Structured Candidacy Framework positively and is keen to engage further with the CBE. The CBE will look into signing a MoU with both the DoE and DWS to implement the Structured Candidacy programmes.

The Department of Defence (DoD) is committed to support professional registration of Built Environment Professionals, especially engineers, to the extent that the department holds an annual conference for engineering, science and technology. The Department, through the Defence's Engineering, Science and Technology Conference (DESTC), will invite the CBE and relevant CBEP to its annual event so that engineers, technologists, technicians and artisans are up-to-date with industry developments and how to develop themselves further.

The following table indicates the engagement schedule with the three national departments and two metropolitan municipalities:

Table 15: Three National Departments and Two Metropolitan Municipalities Engaged on the CBE Structured Candidacy Framework

Date	Department/ Public Entity
20 June 2019	Department of Energy (DoE)
28 June 2019	Water and Sanitation (DWS)
20 August 2019	Mangaung Metropolitan Municipality
22 August 2019	Tshwane Metropolitan Municipality
20 November 2019	Department of Defence (DoD)

2.4.2.6 12 Collaborative engagements and one Built Environment Indaba hosted by 31 March 2020 – Achieved.

The aim of sector coordination is to allow for more integrated, joined-up conversation and coherent responses to government policy timeously. From a sector perspective, this interface will demonstrate the importance of the industry, facilitate more resilient workforce planning, and increase appropriately qualified people with relevant certified lifelong skills that will benefit the economy. The objectives of sector coordination are to:

- a) establish and facilitate working relationships across local, international, private and public sectors to drive Transformation initiatives
- b) generate focus and synergy towards a unified Transformation Agenda for the Built Environment sector of South Africa
- c) promote collaboration in driving the Transformation agenda of the Built Environment sector of South Africa
- d) participate actively in joint initiatives, conferences and platforms to advance Transformation in the sector
- e) coordinate efforts in transforming the Built Environment through various initiatives and actions
- f) support/coordinate efforts to unblock the skills-pipeline and ensure a sustainable supply of aptly skilled and quality individuals to meet future demands
- g) provide expert guidance, consultation and services to support internal change management initiatives and organisational development

The annual target was achieved. Twelve collaborative engagements and one Built Environment Indaba were hosted by 31 March 2020. The CBE hosted its third National Transformation Indaba on 9 and 10 October 2019. The Indaba was themed "Breaking the Barriers" and specifically focused on the various regulatory barriers to Transformation in the sector and potential solutions to such. The primary objective of the Indaba was to come up with clear, practical resolutions to the respective policy makers, government departments and entities responsible for infrastructure projects.

Table 16: Programme 2: Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective: Drive and facilitate skills development and transformation within the BE.					
Strategic objectives	Overall Actual Achievement 2018/19	Planned Target 2019/20	Overall Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
Drive and facilitate skills development and transformation within the BE.	Seven	Six	Achieved. All six targets were achieved.	A positive variance of two was achieved on Maths and Science support programme.	The pupil : teacher ratio allowed for an additional two learners to be enrolled in the programme without extra cost.
				A positive variance of four was achieved on candidates.	The programme has a high resignation rate of candidates due to them receiving better and permanent opportunities. The additional four candidates were placed to mitigate a risk of not achieving the target due to resignations by candidates from the programme.
				A positive variance of 67 was achieved on interns and eight (8) for assessment.	SACGRA approached the CBE to fund stipends for 34 additional students. Majority of these students required less than the 12 months practical training, which allowed for their placement on the programme. The situation of having interns only placed for P2 which is for a semester (6 months) opened up the opportunity of placing 33 extra qualifying students for the remaining semester (6 months).
				A positive variance of one was achieved on the engagement with government departments.	The Department of Defence requested the CBE to present the Structured Candidacy Framework to its officials in Pretoria.

Table 17: Programme 2: Key Performance Indicators, Planned Targets and Actual Achievements

Strategic objective: Drive and facilitate skills development and transformation within the BE					
Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
2.1 Number of learners enrolled in the Maths and Science support programme.	Achieved. 153 Grade 12 learners enrolled in CBE's Maths and Science support programme by 31 March 2019.	150 Grade 12 learners enrolled and assessed in the CBE's Maths and Science support programme by 31 March 2020.	Achieved. 152 Grade 12 learners enrolled and assessed in the CBE's Maths and Science support programme by 31 March 2020.	A positive variance of two was achieved in the number of learners enrolled in Maths and Science support programme.	The pupil : teacher ratio allowed for two additional learners to be enrolled in the programme without extra cost.
2.2 Number of candidates placed for workplace training.	Achieved. 52 Candidates were placed and assessed in workplace training by 31 March 2019.	50 Candidates placed and assessed in workplace training by 31 March 2020.	Achieved. 54 Candidates placed and assessed in workplace training by 31 March 2020.	A positive variance of four was achieved on placing candidates in workplace training.	The programme has a high resignation rate of candidates due to them receiving better and permanent opportunities. The additional four candidates were placed to mitigate a risk of not achieving the target due to resignations by candidates from the programme.
2.3 Number of interns placed for workplace training.	Achieved. 139 Interns were placed in work integrated learning by 31 March 2019.	100 Interns placed and assessed for work integrated learning by 31 March 2020.	Achieved. 167 Interns placed out of which 108 were assessed for work integrated learning by 31 March 2020.	A positive variance of 67 was achieved on the number of interns placed, and eight (8) was achieved on assessment.	SACGRA approached the CBE to fund stipends for 34 additional students. Majority of these students required less than the 12 months practical training, which allowed for their placement on the programme. The situation of having interns only placed for P2 which is for a semester (6 months) opened up the opportunity of placing 33 extra qualifying students for the remaining semester (6 months).

Strategic objective: Drive and facilitate skills development and transformation within the BE					
Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
2.4 Number of oversight reports of CBEP Accreditation of BE Academic Programmes.	Achieved. One oversight report was developed on the accreditation of Academic Programmes undertaken by the CBEP by 31 March 2019.	An oversight report developed by 31 March 2020 on the accreditation of academic programmes undertaken by the CBEP.	Achieved. An oversight report developed by 31 March 2020 on the accreditation of academic programmes undertaken by the CBEP.	None	None
2.5 Number of municipalities, and national departments engaged on their BE technical capacity, based on the researched initiatives.	Achieved. Four Metropolitan Municipalities were engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2019.	Two national departments and two metropolitan municipalities engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2020.	Achieved. Three national departments and two metropolitan municipalities engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2020.	There is a positive variance of one on the engagement with government departments.	The Department of Defence requested the CBE to present the Structured Candidacy Framework to its officials in Pretoria.
2.6 Number of transformation engagements held with built environment stakeholders.	Achieved. One Annual Transformation Indaba hosted and reported on to DPW by 31 March 2019.	12 Collaborative engagements and one Built Environment Indaba hosted by 31 March 2020.	Achieved. 12 Collaborative engagements and one Built Environment Indaba hosted by 31 March 2020.	None	None

Table 18: Programme 2: Linking Performance with Budgets

Programme/activity/objective	2018/19			2019/20		
	Budget R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000
Performance Indicator	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Number of learners enrolled in the Maths and Science support programme.	1 156	1 049	(107)	194	895	(701) ⁵
2.2 Number of candidates placed for workplace training.	2 209	2 220	(11)	3 283	3 210	73
2.3 Number of interns placed for workplace training.	2 702	3 199	(497)	6 352	5 618	734
2.4 Number of oversight reports of CBEP Accreditation of BE Academic Programmes.	32	46	(14)	60	84	(24)
2.5 Number of municipalities, and national departments engaged on their BE technical capacity, based on the researched initiatives.	28	33	5	24	37	(13)
2.6 Number of transformation engagements held with Built Environment stakeholders.	1 071	648	423	1 064	741	323

⁵ The project was funded by prior year committed funds

2.4.3 Programme 3: Built Environment Research, Information and Advisory

The strategic objective of Programme 3 is for CBE to provide informed and researched advice to Government and the public on BE priority matters identified in the Medium Term Strategic Framework (MTSF). For the 2019/20 APP, Programme 3 had three annual targets, all of which were achieved.

This Programme is responding to the following mandates of the CBE Act:

- **section 3(d):** *facilitate participation by the built environment professions in integrated development in the context of national goals*
- **section 3(e):** *promote appropriate standards of health, safety and environmental protection within the built environment*
- **section 4(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*

The targets for the year were achieved as follows:

2.4.3.1 One research report developed by 31 March 2020 that analysed the best practices of models/systems equivalent to the SIPDM – **Achieved**.

The main objective of the project was to analyse best practices of models/systems equivalent to the SIPDM/ FIPDM (Framework for the Infrastructure Delivery and Procurement Management). This project forms part of CBE's response to support the technical capacity of both the public and private sector for infrastructure delivery, as well as to contribute to the National Development Plan's goal of creating a capable state. In the previous financial year, the CBE collaborated with National Treasury to promote the involvement of Built Environment Professionals in delivering government infrastructure projects through the SIPDM. During the financial year, amendments were made on the SIPDM, which later published as the Framework for Infrastructure Procurement and Delivery Management (FIDPM). The project scope was realigned accordingly during the second quarter.

The aim of this research project was to conduct a comparative analysis of infrastructure procurement practices in ten countries against South Africa and identify best practices. The deliverables from the first to the third quarters included the literature review, first draft report entailing the literature review and research methodology, and second draft report entailing literature review, methodology and research findings.

The annual target was achieved. One research report that analysed the best practices of models/ systems equivalent to the SIPDM was developed by 31 March 2020.

The key research findings include the following:

- a) Fifty-three percent of countries (United Kingdom, Australia, New South Wales, Tanzania, Nigeria, Philippines, Malawi, Brazil, Singapore, South Africa) surveyed in this study enacted public procurement regulatory frameworks in the form of laws and regulations. Out of the countries sampled in the study South Africa is the country with most laws, legislation, policies and guidelines governing public procurement. India is the only country that lacks a comprehensive regulatory framework guiding public procurement activities. In the absence of a comprehensive public procurement, the General Financial Rules assist the government to procure goods, services and construction works
- b) Forty-eight percent of the countries have implemented specific laws, policies and guidelines governing public procurement
- c) In 64% of the countries surveyed, the function of developing and regulating public procurement legislation and policy is located and undertaken by the National Treasury/Ministry of Finance. Whereas in 36% of the countries surveyed, the function of developing and regulating public procurement legislation and policy is undertaken by an independent state entity

- d) Thirty-seven percent of countries (United Kingdom, Philippines, and Tanzania) surveyed use Public Private Partnerships to procure infrastructure. Twenty-seven percent of the countries surveyed use traditional procurement to procure infrastructure. Traditional procurement is dominant in the infrastructure sectors in Brazil, Malawi and South Africa. Furthermore, the findings reveal that in 18% of countries (Australia and New South Wales) surveyed use various procurement methods for infrastructure
- e) Even though the majority of countries have implemented regulatory frameworks to govern public procurement systems, the research findings highlight that procurement of infrastructure is hampered multiple hindrances across all countries. Research suggest highlight that in 50% of countries surveyed governance challenges are hampering the procurement and delivery of infrastructure

Some of the recommendations are that:

- a) National Treasury accelerates the implementation of the Draft Public Procurement Bill, which seeks to consolidate all the supply chain management instructions issued by the Treasury, which have become complicated and unwieldy to apply
- b) National Treasury, in collaboration the CBEP, establishes an advisory board to advise and support government on Built Environment skills needs (similar to the New South Wales Model)
- c) National Treasury, DPWI and CBEP develop a framework for mapping out the procurement and technical skills required to support infrastructure delivery and the implementation of FIDPM

To ensure the impact of the research, the following stakeholder engagements took place during the fourth quarter:

- a) 20-21 January 2020: participated in the Cuban Technical Advisory (CTA) Plenary Engagement
- b) 28 January 2020: engagement with National Treasury to discuss the Local Government Infrastructure Progression Model
- c) 28 January 2020: engagement with National Treasury to draft the FIPDM Task Team Terms of Reference
- d) 31 January 2020: engagement with Department of Cooperative Governance and Traditional affairs (COGTA) Community Works Programme to discuss and outlines areas of collaboration
- e) 2 February 2020: engagement with Municipal Demarcation Board to discuss the standards for basic service delivery in local government
- f) 10 February 2020: engagement with Tshwane University of Technology to discuss areas of collaboration towards the 2020 Built Environment International Conference on Appropriate Technology (ICAT)
- g) 19 - 20 February 2020: presented the Research and Policy Operation Plan for 2020/21 at the DPWI Capacity Building Forum

An expert review was undertaken by an external CBE partner for quality assurance of the report. To strengthen this project, a Task Team was jointly appointed by the CBE and National Treasury - comprising representatives of the six CBEP and DPWI. The Task Team will be responsible for providing guidance and support to State institutions on Built Environment skills requirements for infrastructure procurement and delivery. Additionally, four MoUs were finalised with tertiary institutions providing Built Environment programmes, and another four MoU will be finalised in June of the 2020/21 financial year.

*2.4.3.2 One advisory report developed by 31 March 2020 on the state of compliance with health and safety regulations by the CBEP – **Achieved.***

This project emanates from the Health and Safety Accord and Action Plan signed in 2013 by the Department of Labour (DoL), DPW and labour representatives to promote higher standards of health and safety in the Built Environment. The CBEP co-signed the Accord as a commitment to promote health and safety in their professional practice. The South African Council for the Project and Construction Management Professions (SACPCMP) has the function to register Health and Safety practitioners in the construction sector. As the DoL remains the custodian of regulating construction health and safety, the CBE initiated a formal partnership through a draft MoU. The partnership enabled the CBE to respond to its mandate to promote health and safety, implement determinations from the Accord, and to create awareness on the importance of compliance with health and safety regulations. The Construction Health and Safety Accord is based on the Occupational Health and Safety Act enacted in 1994, which gives workers some rights in health and safety in the workplace. It guides management on setting up safety representatives and safety committees in the workplace.

The main objective of the research project is to assess the status of compliance with health safety and regulations by the CBEP. The project objectives are therefore to:

- (i) examine the role of CBEP in promoting high of standards health and safety compliance
- (ii) investigate the motivators or drivers for implementation of health and safety by CBEP
- (iii) identify challenges and lessons learnt in promoting optimum compliance to health and safety regulations by the CBEP

The annual target was achieved. One advisory report was developed by 31 March 2020 on the state of compliance with health and safety regulations by the CBEP.

The key research findings include the following:

- (a) South African health and safety legislation provides clarity regarding the roles of the different Built Environment role-players in order to ensure lives are saved and injuries are avoided
- (b) Policy advocacy together with voluntary initiatives concerned through public-private-labour partnerships would be a key factor in ensuring optimum compliance with health and safety legislation within the Built Environment in South Africa

Some of the recommendations are that:

- (a) the Built Environment sector leads initiatives on health, safety and environment beyond mere compliance, rather an approach that would be proactive in avoiding disastrous accident and ensuring a safe and sustainable environment
- (b) the Built Environment as a sector conducts policy audits in order to review and develop core legislation and policies specific to mainstreaming health, safety and environment in the light of 4IR

*2.4.3.3 One research report developed by 31 March 2020 on the potential impact of the Fourth Industrial Revolution (4IR) on Expanded Public Works Programme (EPWP) practices – **Achieved.***

The EPWP is one of Government's short to medium-term programmes aimed at alleviating and reducing unemployment. Opportunities for implementing the EPWP were identified in the infrastructure, environmental, social and economic sectors. In the infrastructure sector, the emphasis is on creating additional work opportunities through the introduction of labour-intensive construction methods. One of the CBE's mandates is to *facilitate the participation of built environment professions in the integrated development in the context of national goals.* As part of this project, ongoing engagements were held through the financial year with the EPWP/ILO (International Labour Organization) team, based on the formalised partnership.

The annual target was achieved. One research report was developed on the potential impact of the Fourth Industrial Revolution (4IR) on Expanded Publics Works Programme (EPWP) practices by 31 March 2020.

The key research findings include the following:

- (i) DPWI reported in 2018 that a total number of 900 234 work opportunities were created,
- (ii) which resulted in the transfer of R10.108 billion in wages to 827 205 participants
- (iii) 35.7% of these work opportunities were created by public bodies at the national sphere
- (iv) 41.5% by public bodies at the provincial sphere and 22.8% by municipalities
- (v) 66.5% of the work opportunities were filled by female participants, 43.8% by the youth and
- (vi) 1.3% by people with disabilities

The study recommends that:

- (a) labour intensive methods are sustained as they are a very important poverty-alleviation vehicle when delivering overall infrastructure projects in the country
- (b) labour intensive methods should be used as an opportunity to upskill EPWP participants and centralise innovation and entrepreneurship; and prepare EPWP participants for digital capacitation, including the higher levels of the programme implementation
- (c) implementing agents of the EPWP need new leadership skills to inspire in an era of technology disruption

Table 19: Programme 3: Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective: To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.					
Strategic objectives	Overall Actual Achievement 2018/19	Planned Target 2019/20	Overall Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.	Four	Three	Achieved. All of the three targets were achieved.	None	None

Table 20: Programme 3: Key Performance Indicators, Planned Targets and Actual Achievements

Strategic objective: To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.					
Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
3.1 Number of research reports to support infrastructure delivery in the public sector (Analysis of the impact of SIPDM).	Achieved. A research report, analysing the impact of the Standards for Infrastructure Procurement and Delivery Management (SIPDM) on attracting and retaining BEPs within DPW was developed by 31 March 2019.	One research report developed by 31 March 2020 that analysed the best practices of models/ systems equivalent to the SIPDM.	Achieved. One research report developed by 31 March 2020 that analysed the best practices of models/ systems equivalent to the SIPDM.	None	None
3.2 Number of advisory reports on health and safety regulations within the public sector.	Achieved. One advisory report on Health and Safety regulations within the public sector, was developed and submitted to the Department of Labour by 31 March 2019.	One advisory report developed by 31 March 2020 on the state of compliance with health and safety regulations by the CBEP.	Achieved. One advisory report developed by 31 March 2020 on the state of compliance with health and safety regulations by the CBEP.	None	None

Strategic objective: To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.					
Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
3.3 Number of research reports on initiatives to promote labour intensive construction practices in the BE projects.	Achieved. One advisory report on BEPs role in the Expanded Public Works Programmes (EPWP), was developed and submitted to DPW EPWP by 31 March 2019.	One research report developed by 31 March 2020 on the potential impact of the Fourth Industrial Revolution (4IR) on Expanded Public Works Programme (EPWP) practices.	Achieved. One research report developed by 31 March 2020 on the potential impact of the Fourth Industrial Revolution (4IR) on Expanded Public Works Programme (EPWP) practices.	None	None

Table 21: Programme 3: Linking Performance with Budgets

Programme/activity/objective	2018/19		2019/20	
	Budget	Actual Expenditure	Budget	Actual Expenditure
3.1 Number of research reports to support infrastructure delivery in the public sector (Analysis of the impact of SIPDM).	R'000 316	R'000 196	R'000 295	R'000 281
3.2 Number of advisory reports on health and safety regulations within the public sector.	48	8	70	33
3.3 Number of research reports on initiatives to promote labour intensive construction practices in the BE projects.	156	67	50	32
				R'000 14

2.4.4 Programme 4: Regulation and Oversight of six CBEP

The objective of Programme 4 is for the CBE to act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions [section 4(m)], and to promote and enhance high standards of professional ethics within the BE.

This Programme responds to the mandates contained in sections 20 and 21 of the CBE Act.

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

For the 2019/20 financial year, Programme 4 had five targets. One of the five targets was achieved. The annual targets performed as follows:

2.4.4.1 100% of appeals finalised within the statutory 60 days of their lodgement by 31 March 2020 – **Achieved**.

Appeals Function

This target aims to protect public interest by acting as an appeal body, and decide on all appeals within 60 days of lodgement, as prescribed in terms of section 21 of the 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 any of the CBEP (*act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions*). An Appeal Committee is appointed on an ad hoc basis in terms of the provisions of section 21 of the Act to decide on the lodged appeal.

The annual target was achieved. In total, fifteen appeals were received during the financial year. Fourteen of the fifteen appeals due for decision were decided within the statutory time limit of 60 days. The fifteenth appeal, lodged during the fourth quarter, is due for decision during the first quarter of the 2020/21 financial year.

The nature of the appeals were:

i.	against the outcomes of disciplinary hearings	8
ii.	against refusal of registration applications	4
iii.	against decisions of Investigation Committees not to prefer charges against registered persons	2
iv.	against the withdrawal of accreditation of educational programs	1

The nature of appeals may highlight areas of concern for the CBEP.

a)	The number of appeals against CBEP were:	
i.	SACAP	5
ii.	SACPCMP	4
iii.	SACPVP	3
iv.	ECSA	2
v.	SACQSP	1
b)	Outcome of appeals:	
i.	Upheld (Ruling in favour of appellant)	5
ii.	Dismissed (Appeal in favour of CBEP)	3
iii.	Withdrawn	3
iv.	Postponed	3
v.	In progress	1
c)	A steady increase in the number of appeals lodged is noticed; appeals lodged in previous financial years were:	
i.	2017/18	4
ii.	2018/19	9
iii.	2019/20	15

The Council on 11 March 2020 appointed an Appeal Committee for the period 1 April 2020 to 31 March 2021. The Appeal Committee is appointed as prescribed by the CBE Act and will be utilised on a rotational basis as and when required.

*2.4.4.2 100% of the identification of work (IDoW) Action Plan deliverables implemented by 31 March 2020 – **Not Achieved.***

The CBE is compelled by section 20(2) of the CBE Act to *identify the scope of work for each category of registered persons* - referred to as IDoW. The scoping of the work is determined after consultation with the Competition Commission (CC) and in consultation with the six CBEP.

The objective of IDoW is to enhance the protection and safety of the public and the environment by ensuring that only persons registered in the relevant category of registration (and thus demonstrated the required competence and academic qualifications), perform work in the Built Environment or take responsibility for work so performed. The approach taken towards identification of work is to comply with the CBE's statutory duty to identify the scope of work for all categories of registration.

The annual target was not achieved. Hundred percent of the IDoW Action Plan deliverables were not implemented by 31 March 2020.

Discussions with the CC continued, and it became evident that the CC is erroneously regarding the publication of the scopes of work for information as a continuation of the previous exemption applications. An explanatory note was prepared to put the identification of the scopes in context vis-à-vis the mechanisms to regulate the Built Environment Professions. The CBE's IDoW Policy (published in 2009) was revised and, read with the explanatory note, provides a blueprint for the implantation of regulatory mechanisms. The planned workshop did not take place. A written note approach (due to the Covid-19 lockdown) was used to come to grips with the CBEP' intended implementation of regulatory mechanisms; however, there were no responses from them. The CBE developed a Monitoring and Evaluation Plan to note the CBEP' implementation goals and assess the actual implementation.

*2.4.4.3 Two workshops conducted with CBEP by 31 March 2020 to promote the principles of the final Governance Regulatory Framework – **Not Achieved.***

The CBE adopted a revised Corporate Governance Framework, based on King IV™ principles that reflects the principles and suggestions on how to comply with them. Section 3(f) of The Act impels the CBE to promote sound governance in the Built Environment Professions. The CBE and CBEP committed, during previous financial years, to comply with a governance framework based on the principles of King III. Since the advent of King IV™, the Governance Framework was accordingly revised. There has been an ongoing expectation from DPWI and the Minister to improve the governance of the CBEP. *Circa 2012* issued by the then Minister of DPW prescribed that the CBEP comply with the provisions of the PFMA, as a way to enhance governance. This was to be achieved by the development of a roadmap by CBEP towards PFMA compliance. The CBEP are however not listed in the PFMA for compliance. Following discussions between DPWI, National Treasury, CBE and CBEP it was resolved to develop a Regulatory Framework, containing overall governance principles, including PFMA principles.

The annual target was not achieved. The required second workshop was arranged for 26 March 2020. In addition, presentations at the request of SACQSP and SACLAP at their respective council meetings of 25 and 27 March 2020 were planned. Due to the Covid-19 National Lockdown, the two council meetings were postponed. The workshop did not take place and was replaced by written notes that did not receive responses from members. The written notes were sent on 26 March 2020 (as part of the CBE Covid-19 Action Plan). The following questions were posed to the registrars in the written note:

- a) *The Governance Framework presentation is clear, or the following should be explained*
- b) *My organisation needs the following additional information on the Governance Framework*
- c) *Do you agree that the assessment of the alignment of your policies with the Ministerial Approved Policy Frameworks be included in the Governance Framework for the next Financial Year (it is currently done separately but deemed to be part of governance)*

- d) *There are provisions of the Companies Act that are relevant to boards like yours. Do you agree that these provisions be included in the Governance Framework for the next Financial Year*
- e) *Any other comments*

The outcomes of the written note engagements will inform further actions in the next financial year; presentations to the CBEP council meetings are still a priority. It is acknowledged that individual CBEP may have unique challenges, hence question b) above and presentations to the CBEP councils.

*2.4.4.4 One assessment report submitted to DPW by 31 March 2020 on progress made by the CBEP on the alignment of their policies with the Ministerial approved policy Framework – **Not Achieved.***

One of CBE's mandates is to ensure the uniform and consistent application of norms and guidelines by the CBEP through policies. The policies underpin the 13 concurrent functions of the CBEP. Alignment of the policies of the CBEP with the Ministerial approved policy frameworks is required. An assessment on the alignment of CBEP' policies with the seven Ministerial approved policy frameworks was conducted during the previous financial year and an implementation plan for each CBEP developed to ensure alignment.

Revised implementation plans were developed in consultation with the CBEP during the second quarter and assessment against those implementation plans were conducted during the fourth quarter. The CBEP were during March 2020 informed of the outcomes of the assessments.

The annual target was not achieved. Final report on progress made by the CBEP on the alignment of their policies with the Ministerial approved Policy Frameworks was developed; however, it was not submitted to the Ministry. Management made enquiries with the CBEP but with no response. A report on the outcomes will be submitted to DPWI in the second quarter of the new financial year. The general impression is that the approval of new or revised policies by CBEP is at a slow pace. The focus for the next financial year will be on policy compliance (in the wider sense, including development) as part of governance. This shift in focus will bring the reasons for the slow approval of policies to the fore and make way to develop solutions.

*2.4.4.5 The strategic plans, annual performance plans and annual reports of the six CBEP submitted to DPW by 31 March 2020 – **Not Achieved.***

This project seeks to ensure that the six CBEP are on their path towards compliance with the statutory prescripts of Government's budgeting and planning/reporting requirements in their strategic plans, annual performance plans and annual reports.

The annual target was not achieved. Only ECSA submitted its Strategic Plan to CBE for further submission to DPWI by 31 March 2020. The remaining five CBEP indicated that due to Covid-19 pandemic lockdown, they cancelled their scheduled Council meetings for the approval of the strategic plan document. The CBE was therefore unable to submit the Strategic Plans and APPs of the CBEP to DPWI. They have advised that these documents will be submitted in the first quarter of the new financial year. The remaining five CBEP will thus be engaged in the first quarter of 2020/21 financial year to ensure their plans are submitted.

Table 22: Programme 4: Strategic Objectives, Planned Targets and Actual Achievements

Strategic objectives	Overall Actual Achievement 2018/19	Planned Target 2019/20	Overall Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	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.	Four	Five	One	Four targets were not achieved . 100% of identification of Work (IDoW) Action Plan deliverables were not fully implemented. The second workshop could not happen due to the Covid – 19 lockdown.	The workshop could not happen due to the Covid-19 Lockdown. The Covid Emergency Plan proposed Written Notes as an alternative to meetings and workshops, which was sent out to replace the workshop. No responses were received. Inputs will be requested from the CBEP in the first quarter of the 2020/21 financial year.
				The report was developed; however, it was not submitted to the Minister.	The report will be submitted to the Ministry by the end of the first quarter of the 2020/21 financial year.
				Five CBEP approval meetings did not take place due to the Covid-19 National Lockdown. As the result, the five CBEP have not been able to meet the deadline of submitting their strategic plans.	The five CBEP indicated that due to Covid-19 pandemic lockdown, they cancelled their scheduled Council meetings for the approval of the strategic plan document. They have advised that the documents will be submitted in the second quarter of the new financial year. The remaining five CBEP will be engaged in the first quarter of the 2020/21 financial year to ensure their plans are submitted.

Table 23: Programme 4: Key Performance Indicators, Planned Targets and Actual Achievements

Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
4.1 Percentage of appeals finalised within the statutory 60 days from date of lodgement.	Achieved. In total, ten appeals were received during the financial year. The majority (7) were against SACPCMP, two were against SACAP and one against SACPVP. Six appeals were against refusals of registration applications, whilst the remaining four related to disciplinary investigations and hearings.	100% of appeals finalised within the statutory 60 days of their lodgement by 31 March 2020.	Achieved. 100% of appeals finalised within the statutory 60 days of their lodgement by 31 March 2020.	None	None
4.2 Percentage of IDoW Action Plan deliverables implemented.	Achieved. 50% of the deliverables of the identification of work (IDoW) Action Plan were implemented by 31 March 2019.	100% of the identification of work (IDoW) Action Plan deliverables implemented by 31 March 2020.	Not Achieved. 100% of the identification of work (IDoW) Action Plan deliverables were not fully implemented by 31 March 2020.	100% of identification of Work (IDoW) Action Plan deliverables were not fully implemented.	The workshop could not happen due to the Covid-19 Lockdown. The Covid Emergency Plan proposed Written Notes as an alternative to meetings and workshops, which was sent out to replace the workshop. No responses were received. Inputs will be requested from the CBEP in the second quarter of the 2020/21 financial year.
4.3 Number of Initiatives implemented to enhance governance in the CBEP.	Achieved. A report on the six CBEP' implementation of the King IVTM corporate governance framework was developed and submitted to Council and DPW by 31 March 2019.	Two workshops conducted with CBEP by 31 March 2020 to promote the principles of the final Governance Regulatory Framework.	Not Achieved. One workshop conducted with CBEP by 31 March 2020 to promote the principles of the final Governance Regulatory Framework.	The second workshop could not happen due to the Covid – 19 lockdown.	

Strategic objective: To act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions, and to promote and ensure high standards of professional ethics and conduct within the built environment.					
Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
4.4 Number of reports on the progress of the six CBEP Policies' alignment with the seven (Ministerial approved) Policy Frameworks.	<p>Achieved.</p> <p>An implementation plan for the six CBEP' alignment of their policies with the Ministerial approved policy framework, was developed and approved by COO and CEO by 31 March 2019.</p>	<p>One assessment report submitted to DPW by 31 March 2020 on progress made by the CBEP on the alignment of their policies with the Ministerial approved Policy Frameworks.</p>	<p>Not Achieved.</p> <p>One assessment report on the progress made by the CBEP on the alignment of their policies with the Ministerial approved Policy Frameworks was developed; however, it was not submitted to DPWI by 31 March 2020.</p>	<p>The report was developed, however, it was not submitted to the Minister.</p>	<p>Management made enquiries with the CBEP but with no response. A report on the outcomes will be submitted to DPWI.</p> <p>The general impression is that the approval of new or revised policies by CBEP is at a slow pace. The focus for the next financial year will be on policy compliance (in the wider sense, including development) as part of governance.</p> <p>This shift in focus will bring the reasons for the slow approval of policies to the fore and make way to develop solutions.</p>

Strategic objective: To act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions, and to promote and ensure high standards of professional ethics and conduct within the built environment.					
Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
4.5 Number of strategic plans, annual performance plans and annual reports of the six CBEP submitted to CBE and DPW.	Not Achieved. The CBE submitted the annual performance plans for ECSA and the SACPCMP for the 2019/20 financial year on 29 March 2019. The remaining four CBEP have not been able to meet the deadline.	The strategic plans, annual performance plans and annual reports of the six CBEP submitted to DPW by 31 March 2020.	Not Achieved. All the annual reports were submitted to DPWI and Parliament. With regard to the strategic plans, the CBE submitted only ECSA's Strategic Plan to DPWI by 31 March 2020.	Five CBEP approval meetings did not take place due to the Covid-19 National Lockdown. As the result the five CBEP have not been able to meet the deadline.	The five CBEP indicated that due to Covid-19 pandemic lockdown, they cancelled their scheduled Council meetings for the approval of the strategic plan document. They have advised that the documents will be submitted in the first quarter of the new financial year. The remaining five CBEP will be engaged in the first quarter of 2020/21 financial year to ensure their plans are submitted.

Table 24: Programme 4: Linking Performance with Budgets

Programme/ activity/objective	2018/19			2019/20		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
Performance Indicator	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Percentage of appeals finalised within the statutory 60 days from date of lodgement.	937	780	157	895	893	2
4.2 Percentage of the IDoW Action Plan deliverables implemented.	130	136	(6)	78	56	22
4.3 Number of initiatives implemented to enhance governance in the CBEP.	36	-	36	5	3	2
4.4 Number of reports on the progress of the six CBEP Policies' alignment with the seven (Ministerial approved) Policy Frameworks.	-	-	-	2	-	2
4.5 Number of strategic plans, annual performance plans and annual reports of the six CBEP submitted to CBE and DPW.	-	-	-	-	-	-

2.4.5 Programme 5: Government Policies and Priorities

The strategic objective of Programme 5 is to ensure that BE academic curricula and Continuous Professional Development (CPD) programmes embody issues of health and safety in construction; environmental sustainability; job creation through labour intensive construction and the Infrastructure Delivery Management System (IDMS). The Programme had one target for the period under review, which was achieved. The target performed as follows:

*2.4.5.1 One research report on the viability of an implementation plan to incorporate digitalisation and technologies of the Fourth Industrial Revolution into BE academic curricula, developed by 31 March 2020 – **Achieved.***

This research project forms part of the work previously undertaken by the CBE on influencing the improvement of Built Environment curricula through research and development of a framework for the five knowledge areas, and the relationship with the CBEP mandated with accrediting programmes at tertiary institutions offering their field of study. The research report examines the current state of Built Environment curricula regarding the incorporation of digitalisation and technologies in South African universities.

The annual target was achieved. One research report on the viability of an implementation plan to incorporate digitalisation and technologies of the Fourth Industrial Revolution into BE academic curricula, developed by 31 March 2020.

The key research findings are that:

- a) Only 20% of academic institutions (University of Johannesburg and University of Cape Town) have implemented 4IR Strategic frameworks and plans
- b) Sixty percent of the academic institutions have not incorporated digitalisation and 4IR technologies into the curriculum. The majority of the respondents highlighted that 4IR principles and technologies are mentioned in passing during teaching and learning
- c) Twenty percent of academic institutions have implemented Building Information Modelling, AutoCAD, 2D drafting, 3D Printing, REVIT and Design Builder in varying degrees
- d) Successful integration of digitalisation and technologies into Built Environment curricula face multiple barriers such as:
 - i. complex and lengthy process of curriculum development
 - ii. lack of guidelines and standards from accreditation bodies of how to incorporate 4IR into the curricula
 - iii. lack of fundamental knowledge and trained academic lecturers to teach 4IR principles and technologies
 - iv. lack of financial resources
 - v. the existing gap between industry and academia

Some of the recommendations from the study include the following:

- a) CBEP should collaborate with academic institutions to develop standards and specific capabilities for the Built Environment, and devise ways to assess these capabilities and competencies against set requirements
- b) Curricula need to take into account what is commonly referred to as "21st century skills" such as critical thinking, people management, emotional intelligence, judgement, negotiation and cognitive flexibility
- c) Literature points to an increased adoption of ICT to support Built Environment education, making teaching and learning more virtual. The following teaching/learning demonstration formats are recommended:
 - vi. Virtual laboratory
 - vii. A flexible productive systems laboratory
 - viii. Industry 4.0 learning factory

Table 25: Programme 5: Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective: BE academic curricula and CPD programmes that embody issues of health and safety in construction, environmental sustainability, job creation through labour intensive construction as well as the IDMS.					
Strategic objectives	Overall Actual Achievement 2018/19	Planned Target 2019/20	Overall Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
BE academic curricula and CPD programmes that embody issues of health and safety in construction, environmental sustainability, job creation through labour intensive construction as well as the IDMS.	One	One	Achieved.	None	None

Table 26: Programme 5: Key Performance Indicators, Planned Targets and Actual Achievements

Strategic objective: BE academic curricula and CPD programmes that embody issues of health and safety in construction, environmental sustainability, job creation through labour intensive construction as well as the IDMS.					
Performance Indicator	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement for 2019/20	Comment on Deviations
5.1 Number of Implementation plans incorporating new knowledge in BE curricula.	Achieved. An implementation plan to incorporate health and safety, sustainability, labour intensive construction and the Infrastructure Delivery Management System (IDMS) into BE academic curricula, was developed by 31 March 2019.	One research report on the viability of an implementation plan to incorporate digitalisation and technologies of the Fourth Industrial Revolution into BE academic curricula, developed by 31 March 2020.	Achieved. One research report on the viability of an implementation plan to incorporate digitalisation and technologies of the Fourth Industrial Revolution into BE academic curricula, developed by 31 March 2020.	None	None

Table 27: Programme 5: Linking Performance with Budget

Programme/ activity/objective	2018/19			2019/20		
	Budget R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000
Performance Indicator 5.1 Number of implementation plans incorporating new knowledge in BE curricula.	169	167	2	45	37	8

2.5 Summary of Financial Information

The CBE receives its funding from National Treasury via DPWI for its operations. During the reporting period, the CBE met its administrative obligations with the allocated amount of R52.79 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, bursary scheme, and consulting fees as the main cost drivers. The CBE also receives a levy income from the CBEP, who contributed R2.110 million for professionals and candidates registered with them.

2.6 Revenue Collection

The table below indicates the sources of revenue:

Table 28: Sources of Revenue

Source of revenue	2019/20			2018/19		
	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 DPWI	52 796	52 796	-	50 100	50 100	-
Levies	2 363	2 110	253	2 125	2 158	(33)
Interest	810	921	(111)	926	1 021	(95)
Other operating income	4 781	4 416	365	1 218	1 390	(172)
Total	60 750	60 243	507	54 369	54 669	(300)

Reasons for the (Over) / Under Collection

2.6.1 Government Grant from DPWI

The grant income from DPWI was received as budgeted.

2.6.2 Levies Received

The levy figures are subject to fluctuation as it solely depends on members' payments. The under collection is due to lesser memberships received as a result of the Covid-19 pandemic.

2.6.3 Interest Income

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

2.6.4 Other Operating Income

CETA was placed under administration, which resulted in the delayed analysis of submitted claims for partnership funding revenue.

2.6.5 Programme Expenditure

Table 29: Expenditure per Programme

Programme	2019/20			2018/19		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
Programme 1: Administration	47 804	48 851	(1 047)	44 754	46 653	(1 899)
Programme 2: Skills for Infrastructure Delivery	11 505	10 684	821	7 822	7 201	621
Programme 3: BE Research, Information and Advisory	415	346	69	519	272	247
Programme 4: Regulation and Oversight of six CBEP	981	952	29	1 105	917	188
Programme 5: Government Policies and Priorities	45	37	8	169	167	2
Total	60 750	60 870	(120)	54 369	55 210	(841)
Assets (additions)	-	1 358	(1 358)	-	738	(738)
Total including assets (additions)	60 750	62 228	(1 478)	54 369	55 900	(1 580)

Reasons for (Over) / Under Expenditure

2.6.5.1 Administration

The over-expenditure is due to depreciation which is not budgeted for in a cash based budget. Furthermore, no suitable service provider could be identified for the Microsoft 365 project, which resulted in a saving on computer expenses. The pending matter in the Labour Court to have the former CEO's claim for unfair dismissal dismissed was put on hold, pending the outcome of the investigation of a whistle-blower hotline tip-off. The funds allocated for such legal action was therefore not utilised.

2.6.5.2 Skills for Infrastructure Delivery

The under-expenditure was mainly due to the Transformation Research project which was planned to commence in the fourth quarter, but was placed on hold as it was realised that the project would be more beneficial if grouped with another planned project in the next financial year. Furthermore, fourth quarter mentor sessions were planned towards the end of March, but was cancelled due to the National Lockdown.

2.6.5.3 BE Research, Information and Advisory

The attendance of two external conferences were planned, however these were not attended as three quotes could not be obtained.

2.6.5.4 Regulation and Oversight of six CBEP

The under-expenditure arose from ECSA's identified scope of work not published in the Government Gazette as budgeted for in the current financial year.

2.6.5.5 Government Policies and Priorities

There was a saving on travel and catering.

The next table indicates that there were no infrastructure projects during the 2019/20 reporting period and the prior 2018/19 financial year:

Table 30: Infrastructure Projects

Infrastructure projects	2019/20			2018/19		
	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 or backlogs experienced during the period under review.

2.7 Capital Investment

The CBE did not have any infrastructure projects during the 2019/20 and prior years.



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PART C **GOVERNANCE**

COUNCIL FOR THE BUILT ENVIRONMENT

3.1 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) creating an appropriate, ongoing and dynamic monitoring system of checks and balances
- (b) implementing a system to ensure the CBE complies with its legal and regulatory obligations
- (c) implementing a process to identify and manage risks that threaten the sustainability of the CBE's mandate
- (d) developing practices which make and keep the CBE accountable to its stakeholders

The CBE takes its governance responsibility from applicable legislation, the principles of the King IV™ Report and best practice.

3.2 Portfolio Committee on Public Works and Infrastructure

The Parliamentary Portfolio Committee (PPC) of the National Assembly exercises oversight over the work of the CBE as an entity of DPWI. During the 2019/20 financial year, the CBE presented the following to the PPC:

- (i) The CBE's 2019/20 Annual Report
- (ii) The CBE's 2019/20 Annual Performance Plan

3.3 Executive Authority

The Minister of Public Works and Infrastructure (the Minister) is the Executive Authority of the CBE. The table below lists the reports submitted to the Accounting Authority during the 2019/20 financial year.

Table 31: Reports Submitted to the Minister of Public Works and Infrastructure

Accountability Report	Date of Submission to DPWI
Annual Report 2019/20	August 2019
Annual Performance Plan 2020/21	January 2019
Fourth Quarterly Report 2018/19	April 2019
First Quarterly Report 2019/20	July 2019
Second Quarterly Report 2019/20	October 2019
Third Quarterly Report 2019/20	January 2020

3.4 The CBE Council as the Accounting Authority

The CBE Council is appointed by the Minister of Department of Public Works and Infrastructure (the Minister) with the approval of Cabinet in terms of section 6 of the CBE Act. The Council is the governing body of the CBE and determines the strategic direction of the CBE, approves policies to support its mandate and exercises oversight over the execution of the CBE mandate and APP deliverables.

3.4.1 Council Charter

The Council operates in terms of an adopted Charter. The Charter was reviewed during the financial year to comply with the requirements of the King IV™.

The Charter confirms, inter alia, the Council's duty to:

- (i) give strategic direction based on the CBE's mandate
- (ii) approve the business plans, annual reports and annual financial statements
- (iii) ensure that the CBE maintains a programme to effectively communicate with its stakeholders, employees and the public
- (iv) be responsible for the governance of risk

The Council adopted a Delegation of Authority Framework, which is currently in the process of review. Council appointed committees to assist with its oversight function as the governing body. The Council receives quarterly reports from the various committees, including the Audit and Risk Committee.

3.4.2 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 Infrastructure 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 function.
- 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.
- 14) Appoint and evaluate the performance of the CEO and the Company Secretary.

The Council should take all reasonable steps to fulfil its role as set out above.

3.4.3 Composition of the Council

The Act prescribes the composition of the Council. The Council comprises 20 members 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.*

3.4.4 CBE Council's Term of Office

The CBE Act prescribes the nomination and appointment process. The Minister appoints the Chairperson, Deputy-Chairperson and members of the Council for a period of four years. A Company Secretary supports the Council and its Committees on governance matters. The Chief Executive Officer (CEO), Chief Operations Officer (COO) and Chief Financial Officer (CFO) attend meetings of Council and its relevant Committees. The CEO and CBE staff are responsible for operational matters.

Cabinet approved the appointment of the Fifth Term Council on 7 November 2018, effective from 1 November 2018 to 31 October 2022. The Minister determined the first meeting of Council as required by the CBE Act. The first meeting of the Fifth Term Council took place on 16 January 2019 and included an inauguration ceremony by the Minister. Council members underwent induction on 17 January 2019.

The appointed Chairperson of Council and two members of Council resigned. Two representatives from SACAP were not initially appointed to Council, leaving Council with five vacancies at one stage. The Minister appointed a new Chairperson and three new members to the Fifth Term Council on 20 January 2020. The new members were inducted on 6 February 2020.

3.4.5 Shareholder Compact between the Accounting Authority and Executive Authority

The Accounting Authority and the Minister of Public Works and Infrastructure as Executive Authority entered into a Shareholder Compact to promote good governance and engagement between the parties.

3.4.6 Challenges

The following challenges confronted the CBE during the financial year:

- (a) Vacancies on Council were not filled within the statutory time limit
- (b) Governance challenges at the councils for the professions continued to test the relationship between CBE and the CBEP
- (c) Covid-19 National Lockdown for CBE and CBEP

3.4.7 Meetings of Council

Ten Council meetings were held during the 2019/20 financial year; four scheduled meetings, two special meetings, an induction meeting, a training and a strategic planning session over two days with the following outcomes:

Approval of the following:

- i. 2018/19 Annual Report
- ii. 2018/19 Annual Financial Statements
- iii. 2019/20 Budget Allocation and Adjustment
- iv. 2019/20 Mid-Term Budget Review
- v. 2019 Cost of Living Increases
- vi. Appointment of chairpersons and members of the Standing Appeal Committee to serve on a rotational basis
- vii. 2019/20 Corporate Meeting Calendar
- viii. 2019/20 APP for submission to DPWI
- ix. 2019/20 CBE Shareholder's Compact
- x. A process to address irregular expenditure
- xi. Approval of a revised Supply Chain Management Policy
- xii. Approval of an Asset Management Framework
- xiii. Approval of revised terms of reference of EXCO
- xiv. Amendments to the Council Charter
- xv. Allocation of Social and Ethics oversight to ARC

The Council took the following decisions by written vote as regulated by the Council Charter:

- xvi. Approval of the Service Provider for the Design, Layout and Printing of CBE Material
- xvii. Approval of SCM Policy Clause
- xviii. Approval of Human Resources Policies

The following represented highlights of matters noted during Council meetings:

- (i) Quarterly reports from the chairpersons of EXCO, ARC, FHLC, BEMC as well as the CEO, Compliance Reports, Risk Management Reports, Strategic Risk Registers, and Social and Ethics Implementation Plans
- (ii) Status quo of pending litigation (former CEO's unfair dismissal dispute and the SAICE / Minister of PW / ECSA / CBE Court review application)
- (iii) 2018/19 Unqualified Audit Report

Table 32: Fifth 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)	Meeting Attendance
Dr Sitsabo Samuel Dlamini (Chairperson)	Section 5(2)(c) Nominated by SACAP	20 January 2020	-	PhD; MSc in International Construction Management; Architectural Technology			CBE: Chair Council Chair EXCO FHLC Member BEMC Member	20
Keafisha Ernestina Maphelo Mogodi (Deputy Chairperson)	Section 5(2)(b) read with section 6 (3)(b) Representative of state departments	1 November 2018	-				CBE: Deputy Chair Council Deputy Chair EXCO Deputy Chair BEMC FHLC Member	31
Acting Chairperson		28 June 2019	19 January 2020				CBE: Chair Council Chair EXCO Deputy Chair BEMC FHLC Member	31
Dr Jenitha Badul	Section 5(2)(b) Nominated by Department of Environmental Affairs	1 November 2018	-	BSc Microbiology; Masters of Science; PhD; BA Environment Management			CBE: Council Member BEMC Member	6
Dr Prittish Dala	Section 5(2)(d) Public nominee	1 November 2018	-	PhD Info Tech; Masters Info Tech; BSc Computer Science Honours; Bachelor Info Tech; CISA; CISM; CIRSC; CGEIT; COBIT5; CISSP; CEH; CHFI; LA ISO 27001;		Council for Built Environment, Freedom Park and Gautrain Management Agency	CBE: Council Member ARC Member	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)	Meeting Attendance
Dr Claire Helen Deacon	Section 5(2)(c) Nominated by SACPCMP	1 November 2018	-	Dipl Gen Nursing; Cert Occupational Health Nursing; Cert Audiometry Fundamental Management Programme; BTech Occupational Health; BSc-Med (Hons) Biomedical Engineering M Cur Research Capacity Initiative PhD Construction Management			CBE: Council Member BEMC Member	17
Ulandi Exner	Section 5(2)(d) Public nominee	1 November 2018	-	BCom Informatics,CSA, CISSP			CBE: Council Member EXCO Member (Alternate) ARC Member FHLC Member	27
Ngwako Edward Hutamo	Section 5(2)(c) Nominated by SACLAP	1 November 2018	-	BTech Horticulture; Nat Dipl Open Space and Recreation Management			CBE: Council Member Deputy Chair FHLC	14
Dr Keith Ivor Jacobs	Section 5(2)(c) Nominated by ECSA	1 November 2018	-	PhD; Master Business Admin; Honours Business Admin; B.Ed; Nat Dipl Technicians			CBE: Council Member EXCO Member Chair FHLC	29

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)	Meeting Attendance
Zandile Yvonne Makhathini-Neer	Section 5(2)(b) Nominated by Department of Water Affairs and Sanitation	1 November 2018	-	BProc, MBA; MSc in Construction Project Management			CBE: Council Member Chair BEMC	24
Jerry Leigh Margolius	Section 5(2)(c) Nominated by SACPPV	1 November 2018	-	M Phil Nat Dipl: Property Valuations; Arbitrations; Mediation; (Construction, Economics & Management) UCT Certificate of Real Estate	Property Valuation, Sectional Title, Arbitration and Mediation Real Estate Litigation Support and Expert Witness (Property matters) Property Law	Jerry L Margolius & Associates CC Arbitration & Appraisal Services CC Jonic 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 FHLC Member	13
Gert Hendrik Meyer	Section 5(2)(c) Nominated by SACQSP	1 November 2018	-	BSc (QS); MSc (Building Management)			CBE: Council Member BEMC Member	9
Hazel Noluthando Molao	Section 5(2)(c) Nominated by SACPCMP	1 November 2018	-	MBA Postgrad Dipl Economics, Property Development and Management BSc (Hons) QS			CBE: Council Member FHLC Member	13

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)	Meeting Attendance
Sinenhlanhla Thuleleni Mthembu	Section 5(2)(d) Public nominee	1 November 2018	-	LLB; Corporate Governance; SCM; Labour Law		Gina Mthembu Incorporated: Legal Practitioner/Director Council for the Built Environment: Council Member Umhloshinga Development Agency (SOC): Board Deputy Chairperson uMsonduzi Museum: Member of the Audit and Risk Committee South African Council of Social Services Professions (SACSSP): Council Member KwaZulu-Natal Provincial Treasury: Deputy Chair of the Municipal Bid Appeals Tribunal Umvoti Municipality: Member of the Audit and Performance Audit Committees	CBE: Council Member FHLC Member	13
Hendrick Nlovu	Section 5(2)(c) Nominated by SACPVP	1 November 2018	-	Nat Dipl Real Estate, Cert Strategic Management			CBE: Council Member BEMC Member	15

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)	Meeting Attendance
Nonizi Qina	Section 5(2)(c) Nominated by SACQSP	1 November 2018	-	MSc Project Management; BTech Quantity Surveyor;			CBE: Council Member BEMC Member	13
Florence Rabada	Section 5(2)(a) Representative Department of Public Works and Infrastructure	1 November 2018	-				CBE: Council Member BEMC Member	7
Karuni Naidoo	Section 5(2)(c) Nominated by SACAP	20 January 2020	-					6
Willie Ofentse Mothowamodimo	Section 5(2)(c) Nominated by SACLAP	20 January 2020	-	Architecture: BL Architecture (Honours); ML Architecture			CBE: Council Member BEMC Member	2
Cyril Vuyani Gamede	Section 5(2)(c) Nominated by ECSA	20 January 2020	-	BSc Eng; Masters			CBE: Council Member BEMC Member	1
Resigned Members								
Adv Boitumelo Tlhakung	Section 5(2)(c) Nominated by ECSA	1 November 2018	23 November 2018	BA Law; LLB; HDip/ Masters Tax Law; HDip Master International Tax Law				0
Absalom Mosabeni Molobe (Chairperson)	Section 5(2)(c) Nominated by SACLAP	1 November 2018	27 June 2019	BSc Landscape Architecture BL Architecture (Honours) ML Architecture			CBE: Chair Council Chair EXCO FHLC Member BEMC Member	11
Inge M Vieira	Section 5(2)(d) Public nominee	1 November 2018	21 November 2019	CA, BCompt Honours & CTA; BCompt			CBE: Council Member FHLC Member	0

3.4.8 Committees of Council – Purpose and Composition

The CBE Council appointed five committees in terms the provisions of the CBE Act and PFMA:

- i. Executive Committee (prescribed by section 12 of the CBE Act)
- ii. Audit and Risk Committee (prescribed by the PFMA)
- iii. Appeal Committee (prescribed by section 21(3) of the CBE Act)
- iv. Finance, Human Resources and Legal Committee (FHLC)(permitted by section 14 of the CBE Act)
- v. Built Environment Matters Committee (BEMC)(permitted by section 14 of the CBE Act)

The committees of Council operate in terms of a charter (ARC), terms of reference (EXCO, FHLC and BEMC) and a policy and Standard Operating procedure (Appeal Committee).

3.4.8.1 Executive Committee

Established in terms of the CBE Act, the EXCO may hold meetings as and when necessary, but at least four times per year. The 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 section 16 of the CBE Act; and
- (f) report at every ordinary meeting of the Council on the activities of the committee;
- (g) It is noted that (a) to (f) above are functions allocated to the EXCO by legislation. It must however be noted that Council, as the Accounting Authority, is empowered to consider all relevant steps to ensure good governance and adequate financial control. The need for Council not to involve itself in operational matters dictate that the functions (c) and (d) be performed by the CBE administration, as per the delegation of authority by Council, and overseen by Council supported by the Audit and Risk Committee (ARC);
- (h) Oversee Risk Governance with reference to:
 - i. The review of performance information as per the quarterly and annual reports prepared by management
 - ii. The review of mitigating measures proposed by management to address identified performance shortfalls and other identified risks, and monitor and assist management in its execution of mitigating measures and/or propose mitigating measures; and
- (i) Make recommendations to Council on the above and inform Council of decisions finalised in terms of the Council's delegation.

During the 2019/20 financial year, four scheduled meetings and four special EXCO meetings were held with the following outcomes:

Documents Approved as delegated by Council

- i. Quarterly Reports for submission as a statutory requirement
- ii. CEO's Quarterly Performance Reviews

Highlights of documents and reports noted

- i. Quarterly Strategic Risk Register, Risk Management Report, IT Governance Report, Legal Compliance Report, Stakeholder Management Report, and IDoW Progress Report
- ii. AGSA's Management Letter and Audit Report of an unqualified audit with findings

3.4.8.2 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 CBE's risks, with reference to the entity's available resources, expertise, experience of financial management, supply chain management (SCM), 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 framework 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, and summarised integrated information;
- (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 reporting 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 quarterly and annual reports to for approval by Council;
- (h) Review the content of the summarised information for whether it provides a balanced view;
- (i) Engage the external auditors to provide assurance on the summarised financial information; and
- (j) Ensure that the Risk Register is updated in line with the APP on a bi-annual basis.

The ARC held six scheduled meetings during the 2019/20 financial year with the following outcomes:

Documents recommended to Council for approval:

- i. 2018/19 Annual Financial Statements
- ii. 2018/19 Annual Report
- iii. AGSA Engagement Letter and Audit Strategy for the year ending 31 March 2019

Documents Noted

- i. Reports provided on a quarterly basis - Quarterly Reports, Finance/Expenditure Report, Procurement Report, Corporate Governance Report, Performance Report, Strategic and Operational Risk Registers, Risk Management Report, IT Governance Report, Legal Compliance Report, AGSA Dashboard Report, Internal Audit Reports and Work Plan
- ii. Six Month Financial Statements found to be auditable
- iii. 2019/20 Annual Performance Plan
- iv. Social and Ethics Implementation Plan (during Quarter 4)

3.4.8.3 Appeals Committee

The Council for the Built Environment Act 43 of 2000 and the Professions' Acts make provision for the lodgement of appeals against decisions of a council for the built environment (CBEP). The CBE Act [section 21(3)] requires an Appeal Committee to be appointed for every appeal lodged, consisting of three persons, viz.

- i. a legally qualified and experienced person (chairperson)
- ii. a professional with appropriate experience (BE generalist)
- iii. a specialist in the professional field concerning the appeal (specialist)

The appointed Appeal Committee must decide an appeal within 60 days of its lodgement, as prescribed by section 21(5) of the CBE Act.

3.4.8.3.1 Appeal Committee Appointed

The Council, at its meeting of March 2019 appointed the following standing Appeal Committee, for a period of 12 months to be allocated for Appeal Hearings as and when required on a rotational basis:

Table 33: Appeal Committee Appointed

Name	Capacity (Chairperson or BE Generalist)
Lebogang Stroom-Nzama	Chairperson
Matolwane I Mokotjo	Chairperson
Graehymme J Williams	Chairperson
Sibusiso N Jiyane	Chairperson
Livhuwani B Vuma	Chairperson
Sejako J Senatle	Chairperson
Mohamad I Motala	Chairperson
Selemo B Makubung	Chairperson
Linda L Manyathi	Chairperson
Tsietzi A Majang	Chairperson
Gerald Damstra	BE Generalist
Darryl R Riley	BE Generalist
Karl Bailey	BE Generalist
Shoyab Loonat	BE Generalist

List of specialists identified by the CEO as per Council Resolution

Table 34: Specialists Appointed for Appeals

Name	Appeal
Dr Ron Watermeyer	CF Joubert versus ECSA
Sam Manyathela	Nathan Alec Datnow t/a Shawshank Construction versus SACAP
Tracey Myers	Thapelo Mmusinyane versus SACPVP
Phill Mashabane	Althea Oosthuysen versus SACAP
Thatahatso Dawn Bantseke- Mohane	Marcellus Orando versus SACPCMP
Singalakha Jojo	Katlego Motene versus SACAP
Eugene Barnard	Sakhile Ngcem versus SACAP

3.4.8.3.2 Appeal Committee Sitings

Appeals Lodged

(a) CF JOUBERT VERSUS THE ENGINEERING COUNCIL OF SOUTH AFRICA (ECSA) (1)

The date of lodgement of the appeal:	29 April 2019
Date on which 60 days lapses:	28 June 2019
Date of decision:	28 June 2019

NATURE OF THE APPEAL

The Appellant appealed the sanction imposed by a Disciplinary Tribunal of ECSA.

OUTCOME OF THE APPEAL

Appeal Committee upheld the appeal; thus ruling in favour of the appellant.

APPEAL COMMITTEE APPOINTED:

Linda Manyathi - Chairperson
Gerard Damstra - Generalist
Dr Ron Watermeyer - Specialist

COST OF THE APPEAL

Chairperson - R 42 000
Generalist - R 27 750
Specialist - R 27 000

(b) LOGANATHAN PILLAY VERSUS SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION (SACAP)

The date of lodgement of the appeal:	3 May 2019
Date on which 60 days lapses:	2 July 2019
Date of decision:	18 June 2019

NATURE OF THE APPEAL

The Appellant appealed the sanction imposed by a Disciplinary Tribunal of SACAP.

OUTCOME OF THE APPEAL

The appeal was upheld. The Appeal Committee found the Council erred in increasing the sanction imposed by the Disciplinary Tribunal as section 33(2) of the Architectural Profession Act does not permit the varying of sentence if an appeal was dismissed.

APPEAL COMMITTEE APPOINTED

Lebogang Stroom-Nzama - Chairperson
Shoyab Loonat - Generalist
Graehymme Williams - Specialist

COST OF THE APPEAL

Chairperson - R 42 000
Generalist - R 18 000
Specialist - R 23 100

(c) NATHAN ALEC DATNOW T/A SHAWSHANK CONSTRUCTION VERSUS SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION (SACAP)

The date of lodgement of the appeal:	5 May 2019
Date on which 60 days lapses:	4 July 2019
Date of decision:	3 July 2019

NATURE OF THE APPEAL

The appellant appealed a decision of the Investigating Committee of SACAP for not preferring charges against the registered person.

OUTCOME OF THE APPEAL

The appeal was dismissed.

APPEAL COMMITTEE APPOINTED

Sejako Senatle - Chairperson
Darryl Riley - Generalist
Sam Manyathela - Specialist

COST OF THE APPEAL

Chairperson - R 62 790
Generalist - R 57 000
Specialist - R 31 500

(d) THIAGARATHAN MOODLEY VERSUS SOUTH AFRICAN COUNCIL FOR THE PROJECT AND CONSTRUCTION MANAGEMENT PROFESSIONS (SACPCMP)

The date of lodgement of the notice of appeal:	24 July 2019
Date on which 60 days lapses:	22 September 2019
Date of decision:	17 September 2019

NATURE OF THE APPEAL

The Appellant appeals the refusal by SACPCMP of a registration application.

OUTCOME OF THE APPEAL

The appeal was dismissed.

APPEAL COMMITTEE APPOINTED

Tsietsi Majang - Chairperson
Gerard Damstra - Generalist
Karl Bailey - Specialist

COST OF THE APPEAL

Chairperson - R 43 800
Generalist - R 15 750
Specialist - R 27 750

(e) CF JOUBERT VERSUS THE ENGINEERING COUNCIL OF SOUTH AFRICA (ECSA)(2)

The date of lodgement of the appeal:	20 August 2019
Date on which 60 days lapses:	18 October 2019
Date of decision:	17 October 2019

NATURE OF THE APPEAL

The Appellant appealed the sanction imposed by a Disciplinary Tribunal of ECSA.

OUTCOME OF THE APPEAL

The appeal was dismissed.

APPEAL COMMITTEE APPOINTED

Linda Manyathi - Chairperson
Gerard Damstra - Generalist
Dr Ron Watermeyer - Specialist

COST OF THE APPEAL

Chairperson - R 46 500
Generalist - R19 500
Specialist - R 22 500

(f) THAPELO MMUSINYANE AND OTHERS VERSUS SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION (SACPVP) (1)

The date of lodgement of the appeal:	3 September 2019
Date on which 60 days lapses:	1 November 2019
Date of decision:	18 October 2019

NATURE OF THE APPEAL

The Appellant appealed the sanction imposed by a Disciplinary Tribunal of SACPVP.

OUTCOME OF THE APPEAL

The Appeal Committee ordered the postponement of the appeal.

APPEAL COMMITTEES APPOINTED

Mohamad Motala - Chairperson
Shoyab Loonat - Generalist
Tracey Myers - Mohane - Specialist

COST OF THE APPEAL

No cost incurred.

(g) WALTER SISULU UNIVERSITY VERSUS THE SOUTH AFRICAN COUNCIL FOR THE PROJECT AND CONSTRUCTION MANAGEMENT PROFESSIONS (SACPCMP)

The date of lodgement of the appeal:	4 September 2019
Date on which 60 days lapses:	2 November 2019
Date of decision:	31 October 2019

NATURE OF THE APPEAL

The appellant appealed the withdrawal of accreditation of an educational programme at the Walter Sisulu University.

OUTCOME OF THE APPEAL

The Appeal was withdrawn on 31 October 2019, after a successful mediation process.

APPEAL COMMITTEE APPOINTED

No appeal committee were appointed as the appeal was withdrawn.

COST OF THE APPEAL

No cost incurred.

(h) THAPELO MMUSINYANE AND OTHERS VERSUS THE SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION (SACPVP) (2)

The date of lodgement of the appeal:	17 October 2019
Date on which 60 days lapses:	15 December 2019
Date of decision:	13 December 2019

NATURE OF THE APPEAL

The Appellant appealed the sanction imposed by a Disciplinary Tribunal of SACPVP.

OUTCOME OF THE APPEAL

The Appeal Committee ordered the postponement of the appeal.

APPEAL COMMITTEE APPOINTED

Mohamad Motala - Chairperson
Shoyab Loonat - Generalist
Tracey Myers - Specialist

COST OF THE APPEAL

Chairperson - R 31 200
Generalist - R 21 000
Specialist - R 21 750

(i) ALTHEA OOSTHUYSEN VERSUS SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION (SACPVP)

The date of lodgement of the notice of appeal:	4 November 2019
Date on which 60 days lapses:	2 January 2020
Date of decision:	23 December 2019

NATURE OF THE APPEAL

The appellant appealed a decision of the Investigating Committee of SACAP to not prefer charges against a registered person for contravening the Code of Conduct.

OUTCOME OF THE APPEAL

The appeal was upheld.

APPEAL COMMITTEE APPOINTED

Selemo Makubong - Chairperson
Darryl Riley - Generalist
Phil Mashabane - Specialist

COST OF THE APPEAL

Chairperson - R 42 150
Generalist - R 22 500
Specialist - R 18 000

(j) MILFORT MAPHUTI MOLOTO VERSUS SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION

The date of lodgement of the appeal:	20 November 2019
Date on which 60 days lapses:	19 January 2020
Date of decision:	16 January 2020

NATURE OF THE APPEAL

The Appellant appealed the refusal by SACQSP of a registration application.

OUTCOME OF THE APPEAL

Appeal was withdrawn.

APPEAL COMMITTEE APPOINTED

No appeal committee were appointed as the appeal was withdrawn.

COST OF THE APPEAL

No cost incurred.

(k) MARCELLUS ORANDO VERSUS SOUTH AFRICAN COUNCIL FOR PROJECT AND CONSTRUCTION MANAGEMENT PROFESSIONS (SACPCMP) (1)

The date of lodgement of the appeal:	28 November 2019
Date on which 60 days lapses:	26 January 2020
Date of decision:	8 January 2020

NATURE OF THE APPEAL

The Appellant appealed the refusal of a registration application by SACPCMP.

OUTCOME OF THE APPEAL

The Appeal was postponed with an order to interrupt the 60 days time limit.

APPEAL COMMITTEE APPOINTED

Matolwane Mokotjo - Chairperson
 Gerard Damstra - Generalist
 Thatahatso Dawn Bantseke - Mohane - Specialist

COST OF THE APPEAL

Chairperson - R 5 400 for the postponement order.

(l) MARCELLUS ORANDO VERSUS SOUTH AFRICAN COUNCIL FOR PROJECT AND CONSTRUCTION MANAGEMENT PROFESSIONS (SACPCMP) (2)

The date of lodgement of the appeal:	8 January 2020
Date on which 60 days lapses:	7 March 2020
Date of decision:	27 February 2020

NATURE OF THE APPEAL

The Appellant appealed the refusal of a registration application by SACPCMP.

OUTCOME OF THE APPEAL

The Appeal was upheld.

APPEAL COMMITTEE APPOINTED

Matolwane Mokotjo - Chairperson
 Gerard Damstra - Generalist
 Thatahatso Dawn Bantseke - Mohane – Specialist

Cost of the Appeal

Chairperson - R 51 000
 Generalist - R 21 000
 Specialist - R23 250

(m) THAPELO MMUSINYANE AND OTHERS VERSUS SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION (SACPVP) (3)

The date of lodgement of the appeal:	31 January 2020
Date on which 60 days lapses:	30 March 2020
Date of decision:	17 February 2020

NATURE OF THE APPEAL

The Appellant appealed the sanction imposed by a Disciplinary Tribunal of SACPVP.

OUTCOME OF THE APPEAL

The Appeal was postponed sine die.

APPEAL COMMITTEE APPOINTED:

Mohamad Motala - Chairperson
 Shoyab Loonat - Generalist
 Tracey Myers - Mohane – Specialist

COST OF THE APPEAL

Chairperson - R 20 400
 Generalist - R 12 000
 Specialist - R 15 000

(n) KATLEGO MOTENE VERSUS SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION (SACAP)

The date of lodgement of the appeal:	20 February 2020
Date on which 60 days lapses:	19 April 2020
Date of decision:	28 March 2020

NATURE OF THE APPEAL

The Appellant appealed the sanction imposed by a Disciplinary Tribunal of SACAP.

OUTCOME OF THE APPEAL

The Appeal was postponed with an order to interrupt the 60 days' time limit.

APPEAL COMMITTEE APPOINTED

Lebogang Stroom-Nzama - Chairperson
 Karl Bailey - Generalist
 Singalakha Jojo - Specialist

COST OF THE APPEAL

Chairperson - R 5 400 for the postponement order.

(o) SAKHILE NGCEM VERSUS SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION (SACAP)

The date of lodgement of the appeal:	26 February 2020
Date on which 60 days lapses:	25 April 2020
Date of decision:	To be decided in 2020/21 Financial Year

NATURE OF THE APPEAL

The appellant appealed the sanction imposed by a Disciplinary Tribunal of SACAP.

APPEAL COMMITTEE APPOINTED

Rebaone Gaoraewe – Chairperson
 Darryl Riley – Generalist
 Eugene Barnard – Specialist

ADDITIONAL INFORMATION

Fifteen appeals were lodged during the financial year, of which fourteen were due for decision. All fourteen appeals were decided within the statutory time limit of 60 days. The fifteenth appeal was lodged during quarter 4, and is due for decision during the first quarter of the 2020/2021 Financial Year.

- **The nature of appeals lodged was as follows:**

Appeals against the outcomes of disciplinary hearings:	8
Appeals against refusal of registration applications:	4
Appeals against decisions of Investigation Committees not to prefer charges against registered persons:	2
Appeals by academic institutions against the withdrawal of accreditation of programs:	1

- **The number of appeals against CBEP was as follows:**

SACAP:	5
SACPCMP:	4
SACPVP:	3
ECSA:	2
SACQSP:	1

The comparison with appeals lodged during the previous two financial years is as follows:

2017/18	2018/19	2019/20
4	9	15

Outcome of appeals:

Appeals upheld (Ruling in favour of appellant):	5
Appeals dismissed (Appeals in favour of CBEP):	3
Appeals withdrawn:	3
Appeals postponed:	3
In progress:	1

Other Committees

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

3.4.8.4 Finance, Human Resources and Legal Committee (FHLC)

The mandate of the FHLC is as follows:

(a) **With regard to Finance**

- Consider matters of financial strategy and policy (including procurement and SCM), risk management and insurance as they relate to the operation of the CBE, in particular, the optimum use of available and potential financial resources (including internal investment options and their rate of return);
- Consider and assess investment opportunities available to the CBE in respect of all funds, which 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;
- Review the annual financial statements of the CBE in conjunction with ARC, and make recommendations to Council;
- Receive and consider budget proposals from the Executive and recommend the annual operating and capital budgets to Council;

- v. Monitor compliance with the PFMA in respect of matters relating to the CBE Act;
 - vi. Review the adequacy of the working capital by comparing cash focus against the actual;
 - vii. Receive reports of fraud relating to the CBE;
 - viii. Report on activities of the Committee at every ordinary meeting of the Council;
 - ix. Establish an annual work plan to ensure that all relevant matters of the Committee's roles and responsibilities are covered;
 - x. Receive recommendations from the Bid Specification, Bid Evaluation, and Bid Adjudication Committees (BAC) as prescribed in the SCM policy; and
 - xi. Take resolutions, make recommendations, receive information and consult as required by the DOA.
- (b) **With regard to Human Resources**
- i. Consider and make recommendations on the Human Resources (HR) Strategy to ensure that the CBE is able to attract, retain and develop the best possible talent to support business performance;
 - ii. 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;
 - iii. Ensure compliance with all employment legislation such as the Employment Equity Act, Labour Relations Act and Basic Conditions of Employment Act, etc.;
 - iv. Consider and make recommendations on a formal and transparent procedure for developing a policy on remuneration with particular reference to Senior Management;
 - v. Determine the annual remuneration adjustments for CBE staff; and
 - vi. Creation and abolition of Senior Management positions, appointments, transfers and promotions of Senior Managers; of the CEO's performance appraisal, and implementation of disciplinary action against the CEO.
- (c) **With regard to Legal**
- i. Deal with the BE Policy proposal by DPW relating to the repeal of the CBE Act;
 - ii. Deal with the Identification of Work (IDoW); Appeals; Planning, Monitoring and Evaluation; and other legal compliance matters within the CBEP;
 - iii. Deal with Corporate Governance matters in Council;
 - iv. Receive information on the data base of Appeals Committee members and recommend inclusions on the database to Council; and
 - v. Receive appeal findings and make recommendations to Council on required corrective action identified by Appeal Committees.
- (d) **With regard to Planning, Monitoring and Evaluation Matters**
- Consider planning, monitoring and evaluation functions of the CBE and make recommendations to Council in pursuance of the Council's mandate and strategic objectives.
- (e) **With regard to Social and Ethical Matters***
- i. To monitor the CBE's activities, having regard to relevant legislation, legal requirements and good practice with specific reference to (2) to (6) below;
 - ii. To promote ethical standards and guidelines for acceptable behaviour amongst all employees;
 - iii. Promotion of good corporate citizenship with reference to:
 - (a) Equality, prevention of unfair discrimination and the eradication of corruption;
 - (b) Promote employee awareness in the detection of fraud and other corrupt activities;
 - (c) Acknowledgement of employee involvement in community projects with due consideration of the CBE's mandate;
 - (d) Contribution to the development of communities where the CBE conducts its activities; and
 - (e) To undertake initiatives to promote greater environmental responsibility by encouraging the use of environmentally friendly technologies.
 - iv. To promote consumer interests within the ambit of the CBE's mandate;
 - v. To enhance the CBE's employment relationship and contribute within its means towards the educational development of its employees;
 - vi. To promote an environment where open communication is expected and protected; and
 - vii. To report to the council on an annual basis on its findings, and more frequently if occasion requires.

*Note: During Quarter 4 Council allocated the Social and Ethics Function of the CBE to the ARC.

During the 2019/20 financial year, seven FHLC meetings were held, three of which were special meetings with the following outcomes:

Documents recommended to Council for approval:

- i. 2019/20 Departmental Budget Allocation
- ii. 2019/20 Midterm Budget Review
- iii. 2019 Cost of Living Increase
- iv. Quarterly Expenditure and Procurement Reports
- v. 2020/21 Budget Allocation
- vi. Revised Financial, Human Resources and related policies

Reports noted as standing items on a quarterly basis

- HR Report, Appeal Outcomes, Contract Register, Legal Compliance Report, Annual Financial Statement and Audit Report

Council fulfilled its responsibility for corporate Citizenship in accordance with the Council Charter. The detail of activities undertaken is reflected under 14 below.

3.4.8.5 Built Environment Matters Committee

The mandate of BEMC is as follows:

- (a) 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;
- (b) Project champions are members of the BEMC allocated the role to promote specific APP targets;
- (c) Receive reports and information required in terms of the APP on behalf of Council;
- (d) Monitor and guide the CBE's Transformation Strategy;
- (e) Monitor and guide the CBE's Stakeholder Management Strategy;
- (f) Receive and consider information reported by the six councils for built environment professions (CBEP) to the CBE on a quarterly basis, and recommend remedial steps or intervention where required;
- (g) Monitor the execution of actions required of the CBE by the CBE EXCO/President's Forum; and
- (h) Consider and recommend all CBE policies not considered by the FHLC to Council.

During the 2019/20 financial year, four BEMC meetings were held with the following outcomes:

Documents Recommended to Council for Approval and Noting:

- i. 2019 Transformation Indaba Theme and Project Scope
- ii. Quarterly Performance Reports
- iii. Pursuing unachieved quarterly and annual targets
- iv. Project Reports
- v. IDoW progress
- vi. Transformation Collaborative Fora Reports

Table 35(a): Fifth Term Council – Committees of Council

STATUTORY COMMITTEES	
EXCO Executive Committee	ARC Audit and Risk Committee
OTHER COMMITTEES	
FHLC Finance, Human Resources and Legal Committee	BEMC Built Environment Matters Committee
	SUB-COMMITTEES
	IDoW Identification of Work Task Team
	SMMCC Stakeholder Management, Marketing and Communications Committee

Table 35(b): Fifth Term Council – Committees Composition and Meetings

EXCO	Number of Planned Meetings	Number of Special Meetings	Total Meetings Attended	Total Percentage
Dr SS Dlamini (Chairperson) (Appointed 20 January 2020)	1	0	1	100
KEM Mogodi (Deputy-Chairperson) (Acting Chairperson 28 June 2019 – 19 January 2020)	4	4	8	100
Dr KI Jacobs	4	4	8	100
ZY Makhathini-Neer	4	4	5	62.5
U Exner (Alternate Member)	2	3	5	62.5
AM Molobe (Chairperson) (Resigned 27 June 2019)	1	1	2	100
FHLC	Number of Planned Meetings	Number of Special Meetings	Total Meetings Attended	Total Percentage
Dr KI Jacobs (Chairperson)	4	3	7	100
NE Hutamo (Deputy Chair)	4	3	7	
U Exner	4	3	6	85.7
JL Margolius	4	3	5	71.4
HN Molao	4	3	5	71.4
KEM Mogodi	4	3	7	100
ST Mthembu	4	3	4	57.1
Dr SS Dlamini (Appointed 20 January 2020)	1	1	2	100
IM Vieira (Resigned 21 November 2019)	0	0	0	0
AM Molobe (Resigned 27 June 2019)	1	0	1	100
BEMC	Number of Planned Meetings	Number of Special Meetings	Total Meetings Attended	Total Percentage
ZY Makhathini-Neer (Chairperson)	4	0	2	50
KEM Mogodi (Deputy Chair)	4	0	3	75
Dr J Badul	4	0	2	50
Dr CH Deacon	4	0	3	75

BEMC	Number of Planned Meetings	Number of Special Meetings	Total Meetings Attended	Total Percentage
GH Meyer	4	0	4	100
H Ndlovu	4	0	2	50
N Qina	4	0	3	75
F Rabada	4	0	1	25
Dr SS Dlamini (Appointed 20 January 2020)	1	0	1	100
K Naidoo (Appointed 20 January 2020)	1	0	1	100
CV Gamede (Appointed 20 January 2020)	1	0	0	0
WO Mothowamodimo (Appointed 20 January 2020)	1	0	0	0
AM Molobe (Resigned 27 June 2019)	1	0	1	100

Council	Number of Planned Meetings	Number of Special Meetings	Total Meetings Attended	Total Percentage
Dr SS Dlamini (Chairperson) (Appointed 20 January 2020)	1	2	3	100
KEM Mogodi (Deputy-Chairperson) (Acting Chairperson 28 June 2019-19 January 2020)	4	6	10	100
Dr J Badul	4	5	4	44.5
Dr P Dala	4	5	8	88.9
Dr CH Deacon	4	5	9	100
U Exner	4	5	6	66.7
NE Hutamo	4	5	7	77.8
Dr KI Jacobs	4	5	7	77.8
ZY Makhathini-Neer	4	5	9	100
JL Margolius	4	5	5	55.6
GH Meyer	4	5	6	66.7
HN Molao	4	5	8	88.9
ST Mthembu	4	5	5	55.6
H Ndlovu	4	5	7	77.8
N Qina	4	5	7	77.8
F Rabada	4	5	6	66.7
K Naidoo (Appointed 20 January 2020)	1	1	2	100
CV Gamede (Appointed 20 January 2020)	1	1	1	50
WO Mothowamodimo (Appointed 20 January 2020)	1	1	2	100
IM Vieira (Resigned 21 November 2019)	0	0	0	0
AM Molobe (Chairperson) (Resigned 27 June 2019)	1	3	4	100

3.4.9 Remuneration of Council Members

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

The following members were/are not remunerated due to their public sector employment:

Council members not remunerated:

- i. F Rabada
- ii. H Ndlovu
- iii. NE Hutamo
- iv. Dr J Badul
- v. WO Mothowamodimo
- vi. CV Gamede
- vii. ZM Makhathini-Neer
- viii. IM Vieira (Resigned 21 November 2019)

Council members receive an amount claimed for a day tariff and preparatory time, parking, travel, and toll fees.

Table 36: Fifth Term Council Remuneration

Name	Remuneration per Hour	Remuneration R'000	Other Allowance R'000	Other Reimbursements R'000	Total R'000
Dr SS Dlamini (Chairperson) (Appointed 20 January 2020)	581	90	-	5	95
KEM Mogodi (Deputy Chairperson) (Acting Chairperson 28 June 2019 -19 January 2020)	493	292	-	22	314
Dr J Badul	-	-	-	-	-
Dr P Dala	459	67	-	3	70
Dr CH Deacon	459	103	-	25	128
U Exner	459	107	-	16	123
NE Hutamo	-	-	-	-	-
Dr KI Jacobs	581	159	-	2	161
ZY Makhathini-Neer	-	-	-	-	-
JL Margolius	459	50	-	6	56
GH Meyer	459	50	-	-	50
HN Molao	459	63	-	9	72
ST Mthembu	459	54	-	17	71
H Ndlovu	-	-	-	-	-
N Qina	459	60	-	6	66
F Rabada	-	-	-	-	-
K Naidoo (Appointed 20 January 2020)	459	18	-	1	19

Name	Remuneration per Hour	Remuneration R'000	Other Allowance R'000	Other Reimbursements R'000	Total R'000
CV Gamede (Appointed 20 January 2020)	-	-	-	-	-
WO Mothowamodimo (Appointed 20 January 2020)	-	-	-	-	-
AM Molobe (Chairperson) (Resigned 27 June 2019)	581	53	-	6	59
IM Vieira (Resigned 21 November 2019)	-	-	-	-	-
Audit and Risk Committee					
P Stock (External Member) (Chairperson)	3,028	262	-	3	265
LM Mangquku (External Member)	3,028	209	-	6	215
Dr L Konar (External Member)	3,028	111	-	5	116

3.5 Risk Management

Risk management forms a central part of the CBE's strategic management with the task of identifying, assessing, managing and monitoring risks across the organisation. In line with good governance, risk management and planning is an emphasised element for which the Accounting Authority is directly responsible. Risk Management is also a compliance requirement, as per the PFMA. The CBE risk management framework provides a common 'risk language', describes the roles and responsibilities of key players in managing enterprise risk, and measures the risk appetite of management.

3.6 Internal Control Unit

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

CBE's internal auditors, O.M.A Chartered Accountants Inc. (OMA) regularly submitted written audit reports to the ARC meetings, based on the approved audit plan.

Based on the approved internal audit plan for the 2019/20 financial year, the following audits were performed during the year under review:

- i. Governance and Compliance
- ii. Third Quarter Performance Review
- iii. Financial Discipline Review

3.7 Internal Audit Function

The CBE's internal auditors, OMA, regularly submitted audit reports to the ARC meetings, based on the approved audit plan that covered:

- i. significant findings and management action plan
- ii. follow-up on previously reported audit findings
- iii. fraud and non-compliance with legislation
- iv. annual review of the Audit and Risk Committee and Internal Audit Charters
- v. development of a three year rolling plan and one year internal audit plans
- vi. internal audit fieldwork

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

- i. Review of Internal Audit and Audit and Risk Committee Charters
- ii. Unaudited Financial Statements GRAP Compliance Review
- iii. Quarterly Reports – review of performance information against objectives
- iv. Follow up on findings raised by AGSA and Internal Audit
- v. Financial Discipline Review
- vi. Quality Assurance and Improvement (QAIP)
- vii. Process and Risk Overview
- viii. Verification of Membership and Fees
- ix. Process and Risk Overview
- x. Governance and Compliance
- xi. Supply Chain Management
- xii. Combined Assurance Framework
- xiii. Human Capital Management
- xiv. IT Governance Review

Challenges faced during the financial year:

- i. Management action and reaction to findings raised should become more immediate

Recommendations:

- i. Follow-up audits are conducted on time to determine whether management is addressing audit findings and to prevent the same findings recurring in future reports
- ii. Continue to perform quarterly reviews on Performance Information prior to the submission thereof of to the Department of Public Works and Infrastructure. These reviews should continue to be performed close to the Audit and Risk Committee meeting at which the results are to be presented and within a short period
- iii. Annual review of the Financial Statements for GRAP compliance
- iv. Continue performing probity reviews on advertised tenders before award
- v. Continue to perform an annual review of the draft Annual Performance Plan and the Strategic Plan before submission to the Executive Authority to ensure that indicators and outcomes are SMART and aligned to legislation
- vi. The ARC Charter and Internal Audit (IA) Charter are presented to the ARC annually
- vii. Continued co-ordination between Internal Audit and External Audit to enhance the benefits derived by management which outweighs the cost of the audits

The table below discloses relevant information on the ARC members.

Table 37: Disclosure of ARC Members

Name	Qualifications	Internal or External	Date Appointed	End of Contract	Meeting Attendance
P Stock	CA	External	11 April 2019	10 April 2023	6
LM Mangquku	CA	External	11 April 2019	10 April 2023	6
Dr L Konar	CA	External	11 April 2019	10 April 2023	6
U Exner		Fifth Term Council Member	1 November 2018	31 October 2022	6
Dr P Dala		Fifth Term Council Member	1 November 2018	31 October 2022	6

3.8 Compliance with Legislation

The CBE adopted and maintains a compliance policy. The compliance policy identified compliance obligations and mechanisms to ensure compliance, mitigation and disclosure. Disclosure is through quarterly reports on compliance to ARC, FHLC, EXCO and Council.

Council adheres to an approved Delegation of Authority Framework. The framework is currently under review.

Council declared that it is satisfied that the Delegation of Authority Framework contributes to role clarity and the effective exercise of authority and responsibility.

3.9 Fraud and Corruption

The CBE has an all-encompassing policy in the CBE Fraud Prevention Plan. The CBE utilises the service of Whistle Blowers to manage this function. This service provider conducted quarterly workshops with CBE staff to remind and sensitise them to fraud detection and prevention. The office of the CFO circulated a fraud incident report.

3.10 Minimising Conflict of Interest

A conflict of interest occurs when an individual or an organisation is involved in multiple interests and where there is potential to possibly corrupt the motivation to act in one's or another's interests. Council members are required to declare all their financial, economic and other interests upon appointment. The Council and committee members are required to, at each meeting declare, in writing, any interest in matters on the meeting agenda.

3.11 Code of Conduct

A Code of Conduct for Council members was adopted. It is reviewable in the next financial year. The CBE adopted a code of ethics, values and business conduct as part of its consolidated human resources policies and procedures. A Code of Conduct binds employees. Alleged transgression of the Code of Conduct is investigated and handled in accordance with an adopted Disciplinary Policy.

3.12 Health, Safety and Environmental Issues

The Occupational Health and Safety (OHS) Act prescribes specific compliance requirements for specific environments. In compliance with this Act, the CBE's Health and Safety Committee met quarterly on workplace-related health and safety issues. This committee also held scheduled and impromptu emergency evacuation drills, and the observation was that response times improved with each exercise.

3.13 Company Secretary

The Fourth Term Council instituted the Company Secretary function to support Council and its committees. An important component of the function is compliance reporting to Council and its committees, and to oversee the implementation of the Social and Ethics Action Plan in accordance with the Social and Ethics Policy. Council received governance training and expressed the need to receive training that is more detailed.

The Fourth Term Council informally assessed the independence and performance of the Company Secretary, and relied on an external assessment of the functions at the end of its term. The Fifth Term Council declared the need to have the performance and independence of the Company Secretary formally assessed at least once annually against a performance agreement with the Company Secretary.

3.14 Social Responsibility

The Council initially delegated the oversight over the CBE's social responsibility to the FHLC and during the fourth quarter allocated the function to the ARC. A Social and Ethics Policy has been adopted, implemented and reported on to Council every quarter.

The following are some of the activities undertaken during the reporting period:

- (i) quarterly fraud awareness workshops for CBE staff
- (ii) engagements on universal access matters
- (iii) a Health and Safety Think Tank, with a follow-up arranged
- (iv) an ethics desk is planned to invite discussion on ethics related topics

Declaration by the Governing Body

The CBE Council, as the governing body of the CBE, declares it is satisfied that it has fulfilled its responsibilities in accordance with its Charter for the reporting period.

3.15 Audit and Risk Report

The Audit and Risk Committee (ARC) reports how it has satisfied its responsibilities in terms of section 77 and 51 (1) (a) (ii) of the PFMA and Treasury Regulation 27.1.10.

We are pleased to present our report for the financial year ended 31 March 2020.

Audit and Risk Committee Responsibility

The ARC reports that it has adopted appropriate formal terms of reference through its ARC Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The charter is updated regularly and complies with the principles of good governance as per the King IV guidance and with the requirements of the PFMA. The ARC is accountable to the Council and has an oversight function for:

- Financial management
- Performance management
- IT governance
- Risk management and internal audit
- Compliance with laws, regulations and good ethics
- Reporting practices
- External Audit

Report on the Activities of the Audit and Risk Committee

During the period under review, the following activities were undertaken and demonstrate the commitment of the ARC to achieve its mandate:

- Reviewed quarterly management reports
- Revised ARC Charter for Council Approval
- Reviewed and approved the revised Internal Audit Charter
- Considered the risk management process
- Considered the Internal Audit plans and reports and made recommendations as appropriate
- Monitored progress with the Internal Audit coverage plans as well as management's follow-up on matters requiring attention
- Monitored compliance with CBE policies and applicable legislation
- Conducted separate informal meetings with management, internal and external audit
- Reviewed External Audit plans, reports and management's follow-up of matters requiring attention
- Evaluated the Internal Audit Function
- Provided guidance to the Council on IT governance issues and alignment to applicable legislation
- Continued to report the ICT and cyber security challenges to Council
- Conducted self-assessment during the year. The results concluded that the ARC is effective in executing its duties. Minor areas of improvement were identified, and action plans were put in place.

Audit and Risk Committee Members and Attendance

The ARC comprises of five members (3 independent members and 2 Council members), including the independent chair, Mrs Patricia Stock. In terms of section 77(b) of the PFMA, the audit committee must meet at least twice a year. During the financial year ended 31 March 2020, the ARC met on six occasions. The ARC held meetings with the accounting officer and the Council, senior management of the CBE, internal audit function and the external auditors, on matters related to governance, internal control and risk management in the CBE, throughout the reporting period.

The table below shows the attendance of the ARC meetings:

Table 38: ARC Meeting Attendance

Members	Scheduled ARC Meetings	Number of Meetings Attended	Additional Meetings Attended as ARC External Members
Ms P Stock (External Member) (Chairperson)	6	6	9
Mr LM Mangquku (External Member)	6	6	9
Dr L Konar (External Member)	6	5	3
Ms U Exner (CBE 5th Term Council Member)	6	6	0
Dr P Dala (CBE 5th Term Council Member)	6	6	0

The Effectiveness of Internal Control

The risk management process is in place and the CBE's major risks are adequately managed with some areas requiring improvement based on the control deficiencies as reported by internal audit. Areas of improvement have been identified which require managements' attention (corrective action and sustainable solutions) in order to enhance the current internal control environment. The ARC however, based on the reports of internal and external audit, is of the opinion that the internal control system is satisfactory and continues to improve, with specific attention to ensure sustainability required in relation to:

- Supply chain management compliance
- Reporting on Performance against Predetermined Objectives
- Consequence management
- ICT governance and cyber security
- Financial and risk management

The internal audit function

The Council is obliged, in terms of the PFMA, to ensure that the entity has a system of internal audit under the control and direction of the ARC. Based on the ARC formal assessment of the internal audit function, the ARC is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review; is operating effectively and that it has addressed the risks pertinent to the CBE. In addition, the internal audit function operated objectively and independently. The following internal audit engagements were completed during the year under review:

- Internal Audit Planning tabled and approved
- Review of Internal Audit and Audit and Risk Committee Charters
- Unaudited Financial Statements GRAP Compliance Review
- Quarterly Reports – review of performance information against objectives
- Skills Development Programmes
- Follow up on findings raised by the Auditor-General South Africa and Internal Audit
- Financial Discipline Review
- Performance Management (Performance by Objectives Quarter 2, 3, 4 and the Annual Report) Verification of Membership and Fees
- Governance and Compliance
- Supply Chain Management
- Human Capital Management
- Information Technology Security Review (Included a follow up review on IT Governance Review previously reported)
- Review of the draft Annual Performance Plan 2020/2021
- Follow up on management Action Plans
- Probity Review – Appointment of Investigators
- Probity Review – Appointment Service provider for External Audit

- Cursory investigations on the whistle blowing reports
- Quality Assurance and Improvement (QAIP)

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

- Matters related to Asset Management
- Inadequate Standard Operating Procedures for Skills Development
- Matters related to performance plan and reporting
- Inadequate control over leave management
- Delegation of authority timeous review and approval
- Risk Management improvement in some areas
- Management action and reaction to findings raised should become more immediate
- Inadequate and ineffective ICT governance processes

In-Year Management and Monthly/Quarterly Report submitted in terms of the PFMA

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

Evaluation of the finance function

The ARC is satisfied with the leadership expertise and skills of the Chief Financial Officer in the discharge of her duties and responsibilities. Furthermore, the ARC is satisfied with the staffing and resource allocation and overall performance of the finance function in ensuring that accounting practices are effective in the year under review. However, improvement is required in Supply Chain Management given the identified control deficiencies.

Evaluation of the Financial Statements and Annual Performance Report

The ARC has:

- Satisfied itself with the process followed for the appointment of the external auditors which was confirmed by the probity audit. The AGSA has opted not to audit the CBE as per section 25(4) of the Public Audit Act No.25 of 2004 and as such the Annual Report and Financial Statement for the year ended 31 March 2020 are for the first time audited by Nexia SAB&T
- Reviewed and discussed with the external auditors the audited financial statements to be included in the Annual Integrated Report
- Reviewed the reported performance against the predetermined objectives and noted with concern the decline in the percentage of achievement
- Reviewed the external auditors' management letter and management's response thereto.
- Reviewed adjustments resulting from the audit
- Reviewed and discussed the external auditor's report
- Reviewed and confirmed the independence of external auditors

External Auditor's Report

The ARC concurs, accepts the opinion of the external auditor on the annual financial statements and conclusion on the annual performance report, and is of the opinion that the audited annual financial statements and annual performance report be accepted and read together with the report of the external auditors.



Ms Patricia Stock CA (SA)

Chairperson of the Audit and Risk Committee

Council for the Built Environment

30 September 2020



MISSION

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



PART D
HUMAN RESOURCE
MANAGEMENT
COUNCIL FOR THE BUILT ENVIRONMENT

4. HUMAN RESOURCE MANAGEMENT

4.1 Introduction

The CBE continues to ensure adequate skilled and suitable capacity is maintained throughout the organisation. To this end, the HR Department is committed to provide advice, consultation and support in ensuring equitable compensation, fair labour practice, transparent recruitment and selection and performance management systems, and training and development. The Department also ensures legislation updates and policy gaps are continually monitored and incorporated.

HR Priorities and its Impact for the Year Under Review

Four pillars - capacity, capability, commitment, compliance - were adopted to meet organisational aspirations.

Workforce Planning Framework and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

The Knowledge Management and IT function moved to report under the stewardship of the Chief Operations Officer within the Operations Division. Having abolished the position of the IT Systems Administrator, two positions of Senior IT Technician and Junior IT Administrator were created. The Junior IT Administrator position was filled at the end of the financial year. A delay was experienced in filling the Senior IT Technician position due to poor interview feedback. A new recruitment process is currently in progress.

Three positions - within the Strategic Planning and Monitoring; Research and Policies; and Regulations and Legal Services - became vacant in August, December and January respectively and remain so. These positions have been put on hold while capacity is reviewed within the three departments. These and other capacity constraints that may still be identified will be taken into consideration during the organisational structure review scheduled to start in the new financial year.

Employee Performance Management Framework

All employees signed and submitted performance agreements by 30 April 2019. The performance moderation committee consisting of Executive Management and Employee Representative assisted with Human Resources, met quarterly and provided constructive feedback to employees and line management where applicable.

The organisation continues to encourage performance excellence and retention of best performance through a performance reward system. Performance bonuses and pay progressions were paid to deserving employees.

Employee Wellness Programmes

The organisation strives to ensure the wellbeing of its human resources. Through an Employment Assistance Programme service provider, employees were regularly alerted of the wellness service offering through circulation of monthly awareness articles and posters, including corona virus awareness.

Among wellness days were the self-defense session; trauma management and the annual World Aids Day commemorated in December 2019. The programme included a speech by a motivational speaker on "Living with HIV & AIDS" after which a candle commemoration was held.

The health and safety team continued to meet quarterly and successfully facilitated all emergency evacuation drills.

Highlight Achievements

Significant compliance was noted in the area of performance management and development throughout the organisation. To this end 100% performance agreements were signed and submitted within the stipulated date of 30 April 2019.

Challenges

Policies are reviewed and approved on an annual basis; however, approval was delayed due to Council's new terms that required vetting and more time to study the policies before approval. Nineteen out of 22 policies were reviewed and approved.

Salary increments were implemented after extensive consultation with the union. The negotiation was lengthy and concluded after an extended exchange of financial and salary figures supported documentation with the trade union. Instead of the regulated April salary adjustments, such payments were only effected in November 2019.

Submission and approval of leave remained a challenge. Part of the discrepancies were due to system inadequacies, which have since been resolved with the system update.

Difficulties were experienced in the procurement of training courses due to application of stringent Supply Chain Management processes. This resulted in the delay of some training that was scheduled towards the end of the financial year. Some of the training has been rolled over to the next financial year.

Future HR Plans / Goals

- i. Business Process Management – strengthening of internal business processes
- ii. Organisational structure review – strengthening alignment of human resources capacity
- iii. Implementation of the on-line self-service performance management and development system

4.2 Human Resources Oversight Statistics

Table 39: Personnel Cost by Programme

Programme	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure % of Total Expenditure	Number of Employees	Average Personnel Cost per Employee (R'000)
Programme 1: Administration	48 851	19 347	39.60%	29	667
Programme 2: Skills for Infrastructure Delivery	10 684	5 665	53.02%	6	944
Programme 3: BE Research, Information and Advisory	346	3 186	920.81%	4	797
Programme 4: Regulation and Oversight of six BEPCs	952	2 536	266.39%	4	634
Programme 5: Government Policies and Priorities	37	-	-	-	-
TOTAL	60 870	30 734	50.49%	43	715

Table 40: Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	Personnel Expenditure % of Total Personnel Cost (R'000)	Number of Employees	Average Personnel Cost per Employee (R'000)
Top Management	4 678	15.2%	3	1 559
Senior Management	10 373	33.8%	8	1 297
Professionally Qualified	4 746	15.4%	6	791
Skilled	6 365	20.7%	9	707
Semi-skilled	4 006	13.0%	10	401
Unskilled	335	1.1%	2	168
Temporary	231	0.8%	5	46
TOTAL	30 734	100.0%	43	715

Table 41: Performance Rewards

Level	Performance Rewards	Personnel Expenditure (R'000)	Performance Rewards % of Total Personnel Cost
Top Management	0	4 678	0.00%
Senior Management	0	10 373	0.00%
Professionally Qualified	0	4 746	0.00%
Skilled	73	6 365	0.24%
Semi-skilled	16	4 006	0.05%
Unskilled	0	335	0.00%
Temporary	0	231	0.00%
TOTAL	90	30 734	0.29%

Table 42: Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure % of Personnel Cost	Number of Employees Trained	Average Training Cost per Employee
Programme 1: Administration	19 077	288	1.51%	16	18
Programme 2: Skills for Infrastructure Delivery	5 935	150	2.52%	4	38
Programme 3: BE Research, Information and Advisory	3 186	10	0.31%	3	3
Programme 4: Regulation and Oversight of six CBEP	2 536	34	1.34%	3	11
Programme 5: Government Policies and Priorities	0	0	0.00%	0	0
TOTAL	30 734	484	1.57%	26	18.6

The training expenditure reflected above represents educational assistance in tuition fees, books and professional membership subscriptions, and various individual and group training courses – such as Corporate Governance; Finance for Non-Financial Managers; Sage Payroll and HR system; BID Committee workshop, Advance Project Management, Contract management; Speed reading; Media training and Report writing. The training cost excludes training cost which were paid for certain Council committee members.

Table 43: Employment and Vacancies per Programme

Programme/activity/objective	2018/19 Number of Employees	2019/2020 Approved Posts	2019/20 Number of Employees	2019/20 Vacancies	% Vacancies
Programme 1: Administration	24	27	23	4	14.8%
Programme 2: Skills for Infrastructure Delivery	6	6	6	0	0.0%
Programme 3: BE Research, Information and Advisory	3	4	3	1	25%
Programme 4: Regulation and Oversight of six CBEP	3	3	2	1	33.3%
Programme 5: Government Policies and Priorities	0	0	0	0	0.0%
TOTAL	36	40	34	6	15.0%

Table 44: Employment and Vacancies per Level

Level	2018/19 Number of Employees	2019/20 Approved Posts	2019/20 Number of Employees	2019/20 Vacancies	% Vacancies
Top Management	3	3	3	0	0.0%
Senior Management	8	9	8	1	11.11%
Professionally Qualified	5	6	4	2	33.33%
Skilled	7	8	8	0	0.0%
Semi-skilled	11	12	9	3	25%
Unskilled	2	2	2	0	0.0%
TOTAL	36	40	34	6	15.0%

The four vacant positions are detailed in Table 45. The Manager: Regulations and Legal Services was appointed to undertake the full function of the Company Secretary. This position is not fully funded; the Company Secretary receives one salary, which is adjusted accordingly.

Table 45: Vacancies

Position	Department	Status / Way Forward
1. Senior Researcher	Research and Policy	Position is vacant and on hold while a capacity review is in progress.
2. Strategic Planning, Monitoring and Evaluation Officer	Strategic Planning, Monitoring and Evaluation	Position is currently undertaken by a fixed-term appointment. Permanent recruitment is on hold while a capacity review is in progress.
3. Legal Compliance Officer	Regulations and Legal Services	Position remains vacant pending a re-evaluation of posts in the Department.
4. Senior IT Technician	Knowledge Management and IT	Position remains vacant due to a failed attempt at filling it. Re-advertising the position will resume in the next financial year.

Employment changes

The following changes took place during the period under review:

- i. One temporary replacement was contracted in the Secretariat unit whilst the regular incumbent was on temporary capacity leave during November 2019 to January 2020
- ii. The Legal Compliance Specialist position became vacant due to voluntary termination
- iii. The Senior Researcher position was filled briefly, but became vacant again through voluntary termination
- iv. The Strategic Planning, Monitoring and Evaluation Officer position became vacant through voluntary termination
- v. One semi-skilled level position upgraded to skilled

Table 46: Employment Changes

Level	Employment: Beginning of Review Period	Appointments	Terminations	Employment: End of Review Period
Top Management	3	0	0	3
Senior Management	8	0	0	8
Professionally Qualified	5	0	1	4
Skilled	7	1	0	8
Semi-skilled	11	0	2	9
Unskilled	2	0	0	2
Total	36	1	3	34

Table 47: Reasons for Staff Leaving

Reason	Number	% Total Number of Staff Leaving
Death	0	0.0%
Resignation	2	67.0%
Dismissal	0	0.0%
Retirement	0	0.0%
Ill Health	0	0.0%
Expiry of Contract	0	0.0%
Promotion/Upgrade	1	33.0%
Total	3	100,0%

Table 48: Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written Warning	0
Suspension	0
Dismissal	0

Table 49: Equity Targets and Employment Equity Status

Level	MALE							
	African		Coloured		Asian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	3	2	0	1	0	1	2	1
Professionally Qualified	2	3	0	0	0	0	0	0
Skilled	1	3	0	0	0	0	0	1
Semi-skilled	1	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	8(80.0)	9(80.7)	0(0.0)	1(8.8)	0(0.0)	1(2.7)	2(20.0)	2(7.9)

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	1	0
Senior Management	2	3	0	0	0	1	1	0
Professionally Qualified	1	3	0	1	1	0	0	0
Skilled	5	2	0	0	1	0	1	1
Semi-skilled	6	8	1	1	0	0	1	1
Unskilled	2	2	0	0	0	0	0	0
TOTAL	17(70.8)	20(80.8)	1(4.2)	2(8.8)	2(8.3)	1(2.4)	4(16.7)	2(7.9)

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

The CBE continues to insert notes of encouragement to persons with disabilities to submit employment applications on all recruitment advertisements.



VALUES

Integrity
Transparency
Excellence
Innovation



PART E

FINANCIAL INFORMATION

COUNCIL FOR THE BUILT ENVIRONMENT

Independent auditor's report to Parliament on the Council for the Built Environment**Report on the audit of the financial statements****Opinion**

1. We have audited the financial statements of the Council for the Built Environment set out on pages 123 to 176, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Council for the Built Environment as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, Act no. 1 of 1999 (PFMA).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of this auditor's report.
4. We are independent of the public entity in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of professional conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (*including International Independence Standards*) respectively.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

6. We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of a prior period errors in the financial statements of the Council.

Responsibilities of accounting authority for the financial statements

8. The accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity'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 the accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

10. Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report.

Report on the audit of the annual performance report Introduction and scope

12. In accordance with the Public Audit Act of South Africa of 2004 (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.
13. Our procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. We have not evaluated the completeness and appropriateness of the performance indicators / measures included in the planning documents. Our procedures did not examine whether the actions taken by the public entity enabled and contributed to the achievement of service delivery outcomes as planned. Our 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, our findings do not extend to these matters.
14. We 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 programme presented in the annual performance report of the public entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – skills for infrastructure delivery	47 - 55

15. We performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. We 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.
16. We did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
 - ii Programme 2 – skills for infrastructure delivery

Other matter

17. We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Achievement of planned targets

18. Refer to the annual performance report on pages 36 to 73 for information on the achievement of planned targets for the year and explanations provided for the over-achievement of a number of targets.

Report on the audit of compliance with legislation Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, we have a responsibility to report material findings on the public entity’s compliance with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.
20. We did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

21. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
22. Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.
23. In connection with our audit, our responsibility is to read the other information and, in doing so, and the selected programme presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
24. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

25. We considered internal control relevant to our audit of the financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance on it. We did not identify any significant deficiencies in internal control.

Other reports

26. We draw attention to the following engagements 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 our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

Investigations

27. An independent consultant is investigating the following allegations. The investigation is still ongoing at the date of this report:
 - i. contravention of the Preferential Procurement Regulations in relation to the appointment of a legal service provider in prior periods; and
 - ii. misconduct by former key personnel and former Council members.
28. An independent consultant is investigating four alleged incidents of irregular expenditure. The investigation is still ongoing at the date of this report.
29. An independent consultant investigated identified incidents of irregular expenditure as well as fruitless and wasteful expenditure incurred in prior periods. The investigation was concluded on 19 November 2019. Recommendations made as a result of this investigation are being effected.
30. An independent consultant investigated contravention of Human Resources Policies of the Council with regard to the appointment of key personnel by the former Council during the period under review. The investigation was completed on 25 September 2020 and the allegation was found to be unsubstantiated.
31. Two cases related to non-compliance with the competitive bidding threshold in the Supply Chain Management Unit relating to prior periods are being investigated by the SAPS. The investigations are still ongoing at the time of this report.

Auditor tenure

32. We report that Nexia SAB&T has been the auditor of the Council for the Built Environment for 1 year.


Nexia SAB&T

Per: Caroline Chigora - Director
Registered Auditor - 30 September 2020
119 Witch Hazel Avenue
Centurion

Annexure – Auditor’s responsibility for the audit

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

Financial statements

2. In addition to our responsibility for the audit of the financial statements as described in this auditor’s report, we also:
 - i. 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 our 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
 - ii. 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 control
 - iii. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
 - iv. conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Council for the Built Environment to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern
 - v. evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. We 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 we identify during our audit.
4. We also confirm to the accounting authority that we 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 our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Accounting Authority's Responsibilities and Approval

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

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The annual financial statements fairly present the entity's financial position, financial performance and cashflows.

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

The CBE Council acknowledge that they are ultimately responsible for the system of internal financial control established by the CBE and places considerable importance on maintaining a strong control environment. To enable the CBE Council to meet these responsibilities, the Accounting Authority (the CBE Council) sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include 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 the CBE management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, not absolute, assurance against material misstatement or defalcation.

The CBE Council have reviewed the CBE's cash flow forecast for the year to 31 March 2021 and, in light of this review and the current financial position, it is satisfied that the CBE has or has access to adequate resources to continue in operational existence for the foreseeable future.

The CBE is wholly dependent on the Department of Public Works and Infrastructure (DPWI) for continued funding of operations. The financial statements are prepared on the basis that the CBE is a going concern and that the Department of Public Works and Infrastructure has neither the intention nor the need to liquidate or curtail materially the scale of the CBE.

The external auditors are responsible for independently auditing and reporting on the CBE's financial statements. The financial statements have been examined by the CBE's external auditors and their report is presented on page 118.

The financial statements set out on pages 123 to 176, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2020 and were signed on its behalf by:



Dr Sitsabo Dlamini

Chairperson: Council for the Built Environment

Statement of Financial Position as at 31 March 2020

Figures in Rand thousand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	5,688	9,491
Other financial assets	4	2	1
Receivables from exchange transactions	5	3,565	552
Receivables from non-exchange transactions	6	800	279
		10,055	10,323
Non-Current Assets			
Property, plant and equipment	7	4,196	5,617
Intangible assets	8	1,455	586
Other financial assets	4	92	94
		5,743	6,297
Total Assets		15,798	16,620
Liabilities			
Current Liabilities			
Finance lease obligation	9	56	85
Operating lease liability	10	1,063	592
Payables from exchange transactions	11	3,770	3,826
Provisions	12	786	527
		5,675	5,030
Non-Current Liabilities			
Finance lease obligation	9	140	-
Operating lease liability	10	1,646	2,644
Provisions	12	187	169
		1,973	2,813
Total Liabilities		7,648	7,843
Net Assets			
Accumulated surplus		8,150	8,777

*See Note 25 & 33

Statement of Financial Performance

Figures in Rand thousand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Partnership funding revenue		4,391	1,218
Other income		25	172
Interest received - investment		921	1,021
Total revenue from exchange transactions		5,337	2,411
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies		52,796	50,100
Levies		2,110	2,158
Total revenue from non-exchange transactions		54,906	52,258
Total revenue	13	60,243	54,669
Expenditure			
Employee costs	14	(30,238)	(28,753)
Governance Committees' remuneration	15	(1,880)	(1,254)
Depreciation and amortisation	16	(2,015)	(1,870)
Finance costs	17	(35)	(57)
Lease rentals on operating lease	18	(5,849)	(5,849)
Bad debts written off		(1)	(29)
Auditor's remuneration		(1,107)	(1,479)
Loss on disposal of assets and liabilities		(147)	(58)
General expenses	19	(5,868)	(5,412)
Computer expenses		(522)	(1,472)
Consulting and professional fees		(2,677)	(2,108)
Intern stipend payments		(5,456)	(3,005)
Mentor fees		(2,191)	(1,452)
Travel - local		(2,884)	(2,412)
Total expenditure		(60,870)	(55,210)
Deficit for the year		(627)	(541)

*See Note 25 & 33

Statement of Changes in Net Assets

Figures in Rand thousand	Accumulated surplus	Total net assets
Opening balance as previously reported	9,367	9,367
Adjustments Correction of errors	(49)	(49)
Balance at 01 April 2018 as restated*	9,318	9,318
Changes in net assets Restated deficit for the year	(541)	(541)
Total changes	(541)	(541)
Restated balance at 01 April 2019	8,777	8,777
Changes in net assets Deficit for the year	(627)	(627)
Total changes	(627)	(627)
Balance at 31 March 2020	8,150	8,150

*See Note 25 & 33

Cash Flow Statement

Figures in Rand thousand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from customers		3,019	3,556
Grants		52,796	50,100
Interest income		920	1,002
Other cash items	21	21	250
		56,756	54,908
Payments			
Payments to employees and suppliers		(59,087)	(53,660)
Finance costs		(28)	(57)
		(59,115)	(53,717)
Net cash flows from operating activities	20	(2,359)	1,191
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(128)	(325)
Proceeds from sale of property, plant and equipment	7	10	27
Purchase of other intangible assets	8	(563)	(413)
Payments for capitalised development costs	8	(667)	-
Receipts from financial assets		11	8
Net cash flows from investing activities		(1,337)	(703)
Cash flows from financing activities			
Finance lease payments		(107)	(138)
Net increase/(decrease) in cash and cash equivalents		(3,803)	350
Cash and cash equivalents at the beginning of the year		9,491	9,141
Cash and cash equivalents at the end of the year	3	5,688	9,491

*See Note 25 & 33

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments Final	Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance Revenue						
Revenue from exchange transactions						
Partnership funding revenue	-	4,776	4,776	1,419	(3,357)	31
Other income	-	5	5	11	6	31
Interest received	949	(139)	810	920	110	31
Total revenue from exchange transactions	949	4,642	5,591	2,350	(3,241)	
Revenue from non- exchange transactions						
Transfer revenue						
Government grants and subsidies	52,796	-	52,796	52,796	-	31
Levies	2,363	-	2,363	1,600	(763)	31
Total revenue from non-exchange transactions	55,159	-	55,159	54,396	(763)	
Total revenue	56,108	4,642	60,750	56,746	(4,004)	
Expenditure						
Employee costs	(30,258)	135	(30,123)	(30,153)	(30)	31
Governance committees' remuneration	(1,362)	(165)	(1,527)	(1,831)	(304)	31
Lease rentals on operating lease	(6,387)	5	(6,382)	(6,421)	(39)	31
Auditor's remuneration	(1,620)	363	(1,257)	(1,157)	100	31
Loss on disposal of assets	-	-	-	10	10	
General expenses	(5,494)	(710)	(6,204)	(6,549)	(345)	31
Computer expenses	(2,121)	(52)	(2,173)	(1,163)	1,010	31
Consulting and professional fees	(2,368)	565	(1,803)	(1,756)	47	31
Intern stipend payments	(2,217)	(3,953)	(6,170)	(4,906)	1,264	31
Mentor fees	(1,132)	(838)	(1,970)	(2,257)	(287)	31
Travel - local	(3,149)	8	(3,141)	(2,922)	219	31
Total expenditure	(56,108)	(4,642)	(60,750)	(59,105)	1,645	
Operating deficit	-	-	-	(2,359)	(2,359)	
Statement of Financial Position Assets						
Non-Current Assets						
Property, plant and equipment	-	-	-	(128)	(128)	31
Intangible assets	-	-	-	(1,230)	(1,230)	31
	-	-	-	(1,358)	(1,358)	
Total Assets	-	-	-	(1,358)	(1,358)	

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These 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 financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

These 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 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Impairment of 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, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1.4 Significant judgements and sources of estimation uncertainty (continued)**Impairment testing**

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

Effective interest rate

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

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.

1.5 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
- 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.

1.5 Property, plant and equipment (continued)

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.

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
Furniture and fixtures	Straight line	12 - 20 years
Office equipment	Straight line	2 - 20 years
IT equipment	Straight line	6 - 15 years
Lease hold improvements	Straight line	4 - 5 years
Signage	Straight line	5 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

1.5 Property, plant and equipment (continued)

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

1.6 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
- 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
- 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.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

1.6 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale
- there is an intention to complete and use or sell it
- there is an ability to use or sell it
- it will generate probable future economic benefits or service potential
- there are available technical, financial and other resources to complete the development and to use or sell the asset
- the expenditure attributable to the asset during its development can be measured reliably

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight line	1 - 5 years

Intangible assets are derecognised:

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

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

1.7 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.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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.

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
- a contractual right to:
 - receive cash or another financial asset from another entity
 - 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
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity

1.7 Financial instruments (continued)

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.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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

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

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

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

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition
- are held for trading

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
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value

1.7 Financial instruments (continued)

- 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
 - 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
 - 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 plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value
- Financial instruments at amortised cost
- Financial instruments at cost

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

1.7 Financial instruments (continued)

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

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 transfers to another party substantially all of the risks and rewards of ownership of the financial asset
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognises the asset
 - recognises separately any rights and obligations created or retained in the transfer

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

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.

1.7 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.

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.

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.

1.8 Statutory receivables**Identification**

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

1.8 Statutory receivables (continued)**Subsequent measurement**

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable)
- impairment losses
- amounts derecognised

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the entity is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The entity assesses at each reporting date, whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

1.8 Statutory receivables (continued)

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognises the receivable
 - recognises separately any rights and obligations created or retained in the transfer

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.9 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 of on the remaining balance of the liability.

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

1.9 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.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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 used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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

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

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity
- the number of production or similar units expected to be obtained from the asset by the entity

Identification

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

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

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

1.10 Impairment of cash-generating assets (continued)**Recognition and measurement (individual asset)**

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.11 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
- 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.

1.11 Employee benefits (continued)

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 absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees

When an employee has rendered service to the entity during a reporting period, the entity 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 recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The 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. The average of the last three months basic salary is used to calculate the expected cost.

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.

Multi-employer plans programme

The entity classifies a multi-employer plan programme as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for it in the same way as for any other defined contribution plan.

1.11 Employee benefits (continued)**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
- 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.

1.12 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
- a reliable estimate can be made of the obligation

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

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the 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.

1.12 Provisions and contingencies (continued)

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 23.

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
- 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
- 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

1.13 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.

1.13 Revenue from exchange transactions (continued)**Interest**

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
- The amount of the revenue can be measured reliably

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

1.14 Revenue from non-exchange transactions

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

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

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

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

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

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

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

The leviable event is the event that the government, legislature or other authority has determined will be subject to levies.

Levies are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Levies do not include fines or other penalties imposed for breaches of the law.

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

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

1.14 Revenue from non-exchange transactions (continued)

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

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Comparative figures

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

1.17 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.

1.18 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
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act
- (c) any provincial legislation providing for procurement procedures in that provincial government

National Treasury Practice Note No. 2 of 2019/2020, which was issued in terms of sections 76(2)(e) and 76(4)(a) of the PFMA requires the following (effective from 17 May 2019):

When an Assessment of an alleged transaction, related to irregular expenditure, was identified and in the process of confirmation, no disclosure of the amount will be made in the irregular expenditure note.

Upon the Determination of irregular expenditure, when the alleged transaction was confirmed to be irregular expenditure, the amount of confirmed irregular expenditure is disclosed in the irregular expenditure note. Further determination to identify facts and losses related to the transaction must be disclosed in the sub note, Irregular expenditure under Determination, including supplementary disclosure on disciplinary steps taken.

Confirmed irregular expenditure is investigated in order to establish facts, whether the transgression is related to fraudulent, corrupt and other criminal conduct. The amount of irregular expenditure is then disclosed in the irregular expenditure note and the progress of the investigation in the sub note, Irregular Expenditure under investigation.

1.18 Irregular expenditure (continued)

If losses were incurred and the State did not achieve value for money, the amount of losses to be recovered in the current year (if practical) must be determined. The amount of losses recovered must be disclosed in the irregular expenditure note under Amount not Condoned and Recoverable. If it can be demonstrated that it is impractical to determine total losses incurred, the details and reasons as to why the amount cannot be quantified must be disclosed.

If losses incurred are irrecoverable, the amount must be determined, and written off in terms of the CBE's Debt Write Off Policy. The amount is disclosed as losses irrecoverable under the amounts not Condoned and not Recoverable.

If losses were not incurred and value for money was achieved, and the transgression was free of fraudulent, corrupt or other criminal conduct, condonation of the irregular expenditure must be requested. If the amount of irregular expenditure is condoned by the relevant authority, the amount will be disclosed as current year amounts condoned. If the transgression took place in the previous year, the expenditure will be disclosed as prior year amounts condoned.

If irregular expenditure was not condoned by the relevant authority, the irregular expenditure will be referred to the Accounting Officer or Accounting Authority for removal and the amount will be disclosed as losses irrecoverable, in the irregular expenditure note under Amounts not Condoned and not recoverable.

If fraudulent, corrupt or other criminal conduct is alleged or confirmed, supplementary disclosure on criminal proceedings instructed will be disclosed.

1.19 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 the 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 01/04/2019 to 31/03/2020.

The 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.

1.20 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

1.20 Related parties (continued)

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements.

1.21 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified as those that:

- provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date)
- are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date)

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Figures in Rand thousand	2020	2019
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

The entity adopted the following standards and interpretations, effective for the current financial year and relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 20: Related parties	01 April 2019	The adoption of this Standard has not had a material impact on the results of the entity, but has resulted in more disclosure than would have previously been provided in the financial statements.
• GRAP 108: Statutory Receivables	01 April 2019	The adoption of this Standard has not had a material impact on the results of the entity, but has resulted in more disclosure than would have previously been provided in the financial statements.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (amended): Financial Instruments	Yet to be determined	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	Yet to be determined	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2020	Unlikely there will be a material impact
• IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue	01 April 2020	Unlikely there will be a material impact

Figures in Rand thousand	2020	2019
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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	18	5
Bank balances	2,394	6,100
Short-term deposits	1,117	1,335
Call Deposit	2,159	2,051
	5,688	9,491

A bank guarantee has been issued to the value of R1,863 million in favour of Emira Property Fund for the leasehold premises. The guarantee will expire on 30 June 2022.

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

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

Credit rating

F1+ (ZAF) Fitch Rating	5,688	9,491
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4. Other financial assets

At amortised cost

DK Pitse	94	95
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The receivable is payable in monthly installments of R1 000. Interest is payable at the prime lending rate of 10.5% at inception of the agreement.

Non-current assets

At amortised cost	92	94
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Current assets

At amortised cost	2	1
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Financial assets at amortised cost

Financial assets at amortised cost past due but not impaired

Financial assets which are less than three months past due are not considered to be impaired. At 31 March 2020, R - (2019: R 94,874) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Three months past due	-	95
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Figures in Rand thousand	2020	2019
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5. Receivables from exchange transactions

Trade receivables	2,971	9
Prepaid expenses	594	543
	3,565	552

Trade and other receivables pledged as security

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

Trade and other receivables past due but not impaired

Trade and other receivables which are less than three months past due are not considered to be impaired. At 31 March 2020, R 597,508 (2019: R -) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Two months past due	598	-
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Trade and other receivables impaired

As of 31 March 2020, trade and other receivables of R - (2019: R 42,650) were impaired and provided for.

The amount of the provision was R - as of 31 March 2020 (2019: R 29,188).

The ageing of these loans is as follows:

Three to six months	-	43
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Reconciliation of provision for impairment of trade and other receivables

Opening balance	(29)	(13)
Provision for impairment	-	(29)
Amounts written off as uncollectible	29	13
	-	(29)

The creation and release of provision for impaired receivables is included in expenses. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

6. Receivables from non-exchange transactions

Levies	788	278
Other receivables from non-exchange revenue	12	1
	800	279

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Fees charged in terms of legislation	788	278
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Figures in Rand thousand	2020	2019
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6. Receivables from non-exchange transactions (continued)

Financial asset receivables included in receivables from non-exchange transactions above	12	1
Total receivables from non-exchange transactions	800	279

Statutory receivables general information

Transaction(s) arising from statute

Regulation 915 was issued in terms of the Council for the Built Environment Act (No 43 of 2000). It describes the Regulations for the charging of membership fees and the submission of an annual declaration to the CBE for all registered Built Environment officials.

Determination of transaction amount

The levy payable to the CBE has been determined as R42 for a registered Built Environment Professional and R21 for a registered candidate.

Interest or other charges levied/charged

The Councils for the Built Environment Professions are liable for interest on all outstanding levy payments due to the CBE at a rate of 2% above the prime overdraft rate.

Receivables from non-exchange transactions pledged as security

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

Receivables from non-exchange transactions impaired

As at 31 March 2020, other receivables from non-exchange transactions of R 822 (2019: R 2,685) were impaired and provided for.

The amount of the provision was R 822 as of 31 March 2020 (2019: R -).

The ageing of these loans is as follows:

Over six months	1	3
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Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	-	(3)
Provision for impairment	(1)	-
Amounts written off as uncollectible	-	3
	(1)	-

The creation and release of provision for impaired receivables have been included in expenditure. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Figures in Rand thousand

2020

2019

7. Property, plant and equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	2,183	(1,061)	1,122	2,190	(896)	1,294
Office equipment	1,379	(803)	576	1,427	(862)	565
IT equipment	3,013	(1,904)	1,109	3,701	(2,013)	1,688
Leasehold improvements	3,313	(1,973)	1,340	3,313	(1,312)	2,001
Signage	103	(54)	49	103	(34)	69
Total	9,991	(5,795)	4,196	10,734	(5,117)	5,617

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,294	-	(2)	(170)	1,122
Office equipment	565	204	(8)	(185)	576
IT equipment	1,688	127	(161)	(545)	1,109
Leasehold improvements	2,001	-	-	(661)	1,340
Signage	69	-	-	(20)	49
	5,617	331	(171)	(1,581)	4,196

Reconciliation of property, plant and equipment -2019

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,451	13	-	(170)	1,294
Office equipment	781	2	-	(218)	565
IT equipment	2,016	266	(27)	(567)	1,688
Leasehold improvements	2,633	29	-	(661)	2,001
Signage	72	15	-	(18)	69
	6,953	325	(27)	(1,634)	5,617

Figures in Rand thousand	2020	2019
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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.

The entity has contractual commitments for the acquisition of property, plant and equipment. Refer to note 22.

Assets subject to finance lease (Net carrying amount)

Office equipment	193	70
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8. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2,888	(1,433)	1,455	1,851	(1,265)	586

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Work in progress	Amortisation	Total
Computer software, other	586	563	739	(433)	1,455

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Work in Progress	Disposals	Amortisation	Total
Computer software	192	449	212	(31)	(236)	586

Pledged as security

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

The residual values of intangible assets have been assessed to be negligible, as a result they have not been considered in the calculation of the depreciable amount.

The entity has contractual commitments for the acquisition of intangible assets. Refer to note 22.

Figures in Rand thousand	2020	2019
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9. Finance lease obligation

Minimum lease payments due		
- within one year	91	92
- in second to fifth year inclusive	168	-
	259	92
less: future finance charges	(63)	(7)
Present value of minimum lease payments	196	85
Present value of minimum lease payments due		
- within one year	56	85
- in second to fifth year inclusive	140	-
	196	85
Non-current liabilities	140	-
Current liabilities	56	85
	196	85

It is entity policy to lease certain office equipment under finance leases.

The average lease term was two years and the average effective borrowing rate was 25% (2019: 29%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to note 7.

10. Operating lease liability

Non-current liabilities	(1,646)	(2,644)
Current liabilities	(1,063)	(592)
	(2,709)	(3,236)

Operating lease payments represent rentals payable by the CBE for its office accommodation. The lease is for a five year term, with an 8.5% escalation per annum. No contingent rent is payable.

CBE obtained leased premises which was occupied from 31 March 2017. The landlord provided the CBE with a tenant installation allowance for a period of five years and the cost will be amortised over the lease term.

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

Figures in Rand thousand	2020	2019
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11. Payables from exchange transactions

Trade payables	383	120
Leave accrual	1,006	775
Accrued 13th cheque	211	198
Accrued expenses	2,170	2,733
	3,770	3,826

12. Provisions

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Bonus provision	506	366	(423)	(83)	-	366
Provision for dismantling	190	-	-	-	20	210
Provision for general expenditure	-	397	-	-	-	397
	696	763	(423)	(83)	20	973

Reconciliation of provisions - 2019

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Bonus provision	296	506	(419)	123	-	506
Provision for dismantling	171	-	-	-	19	190
	467	506	(419)	123	19	696

Non-current liabilities	187	169
Current liabilities	786	527
	973	696

During the current year, the CBE raised a provision for bonus payment in relation to performance bonus for the performance period 1 April 2019 to 31 March 2020. The provision for bonus payment is prepared on the basis of prior year's actual performance. During the 2018/19 financial year, 3% of the basic salary was paid due to the entity's good performance in achieving set targets. The entity has not achieved above average performance in the current financial year, and, as such, 2% is management's best estimation. Management is of the view that the amount will be adequate to cover the performance bonus of the organisation for the 2019/20 financial year.

The CBE entered into a lease agreement in the 2017/18 financial year which required the CBE to restore the premises to its original condition at the end of the lease term. The CBE did not recognise the provision for dismantling in the previous financial years and as such has disclosed a prior period error. Please refer to note 33.

The provision for general expenses relates to services which were delivered to the CBE but for which the CBE has not received the invoices.

Figures in Rand thousand	2020	2019
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13. Revenue

Partnership funding	4,391	1,218
Other income	25	172
Interest received	921	1,021
Government grants and subsidies	52,796	50,100
Levies	2,110	2,158
	60,243	54,669

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

Partnership funding	4,391	1,218
Other income	25	172
Interest received	921	1,021
	5,337	2,411

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

Taxation revenue

Transfer revenue

Government grants and subsidies	52,796	50,100
Levies	2,110	2,158
	54,906	52,258

14. Employee related costs

Basic	25,198	24,261
Medical aid - company contributions	1,456	1,173
UIF	130	130
Defined contribution plans	3,365	2,993
Leave pay accrual charge	230	(15)
Bonus	(141)	211
	30,238	28,753

Remuneration of Chief Financial Officer (L Jansen van Vuuren)

Annual remuneration	1,097	1,012
Contributions to UIF, Medical and Pension Funds	4	4
Housing allowance	16	4
Subsistence and travel	309	318
Telephone allowance	9	9
	1,435	1,347

Included in personnel cost above is the CFO's remuneration, as itemised under Remuneration of the Chief Financial Officer. L Jansen van Vuuren was appointed on 1 April 2018 for a five year contract period, which will terminate on 31 March 2023.

Figures in Rand thousand	2020	2019
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14. Employee related costs (continued)

Remuneration of Chief Operations Officer (M Mongane)

Annual remuneration	1,102	1,153
Contributions to UIF, Medical and Pension Funds	227	152
Housing allowance	16	4
Subsistence and travel	105	63
Telephone allowance	9	9
	1,459	1,381

Included in personnel cost above is the COO's remuneration, as itemised under Remuneration of the Chief Operations Officer. M Mongane was appointed on 1 March 2018 for a five year contract period which will expire on 28 February 2023.

Remuneration of Chief Executive Officer

Annual remuneration	1,411	1,343
Contributions to UIF, Medical and Pension Funds	291	276
Housing allowance	16	4
Subsistence and travel	19	29
Telephone allowance	9	9
	1,746	1,661

Included in personnel cost above is the CEO's remuneration, as itemised under Remuneration of the Chief Executive Officer. P Mdlalose was appointed on 1 October 2017 for a five year contract period which will terminate on 30 September 2022.

COUNCIL FOR THE BUILT ENVIRONMENT

E Financial Statements for the year ended **31 March 2020**

Figures in Rand thousand

2020

2019

15. Governance committees

Non-executive 2020

Fifth-Term Council Members/ Audit Committee Members	Number of meetings attended	Claim for attendance	Subsistence and Travel	Total
Dlamini Sitsabo Samuel (Chairperson)	21	90	5	95
Mogodi Keafisha Ernestina Maphefo (Deputy Chairperson)	63	292	22	314
Badul Jenitha	6	-	-	-
Dala Prittish	14	67	3	70
Deacon Claire Helen	17	103	25	128
Exner Ulandi	27	107	16	123
Hutamo Ngwako Edward	14	-	-	-
Jacobs Keith Ivor	29	159	2	161
Makhathini-Neer Zandile Yvonne	24	-	-	-
Margolius Jerry Leigh	13	50	6	56
Meyer Gert Hendrik	10	50	-	50
Molao Hazel Noluthando	13	63	9	72
Molobe Absalom Mosabeni (Former Chairperson)	11	53	6	59
Mthembu Sinenhlanhla Thuleleni	13	54	17	71
Naidoo Karuni	6	18	1	19
Ndlovu Hendrick	15	-	-	-
Qina Noninzi	13	60	6	66
Rabada Florence	7	-	-	-
Stock Patricia (Independent Audit Committee member)	15	262	3	265
Mangquku Luyanda Mansfield (Independent Audit Committee member)	15	209	6	215
Konar Len (Independent Audit Committee member)	8	111	5	116
	354	1,748	132	1,880

COUNCIL FOR THE BUILT ENVIRONMENT

E Financial Statements for the year ended **31 March 2020**

Figures in Rand thousand	2020	2019
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15. Governance Committees' Remuneration (continued)

2019

Fifth-Term Council Members/ Audit Committee Members	Number of meetings attended	Claim for attendance	Subsistence and Travel	Total
Mogodi Keafisha Ernestina Maphefo (Deputy Chairperson)	15	56	3	59
Badul Jenitha	6	-	-	-
Dala Prittish	4	18	1	19
Deacon Claire Helen	7	26	-	26
Exner Ulandi	10	35	4	39
Hutamo Ngwako Edward	7	-	-	-
Jacobs Keith Ivor	7	22	-	22
Makhathini-Neer Zandile Yvonne	4	-	-	-
Margolius Jerry Leigh	3	14	1	15
Meyer Gert Hendrik	4	18	-	18
Molao Hazel Noluthando	10	34	4	38
Molobe Absalom Mosabeni (Former Chairperson)	22	83	6	89
Mthembu Sinenhlanhla Thuleleni	7	25	7	32
Ndlovu Hendrick	5	-	1	1
Qina Noninzi	6	23	-	23
Rabada Florence	7	-	-	-
Vieira Inge Maree	7	-	-	-
	131	354	27	381

COUNCIL FOR THE BUILT ENVIRONMENT

E Financial Statements for the year ended **31 March 2020**

Figures in Rand thousand

2020

2019

15. Governance Committees' Remuneration (continued)

Fourth-Term Council Members/ Audit Committee Members	Number of meetings attended	Claim for attendance	Subsistence and Travel	Total
Nkosi Isaac Mzumara (Chairperson)	21	91	5	96
Sithole Niniza Fortunata (Former Chairperson)	3	24	13	37
Breed Christina Alida	3	19	-	19
Lee Anna-Marie	13	17	68	85
Lombard Nicolas Daniel	8	28	1	29
Makongwana Ezodidi Gugu	5	25	25	50
Margolius Jerry Leigh	7	28	2	30
Mathe Zwanani Titus	7	55	1	56
Michell Douglas	5	23	1	24
Mtshisa Clive	1	-	-	-
Mvalo Zukile	5	-	-	-
Michell Kathleen Anne	9	47	2	49
Sefothlo Reginald Gaolathle	8	37	14	51
Thubane Sithiwe	6	64	1	65
Tshangela Mapula	4	-	-	-
Coovadia Dawood (Audit Committee Member)	8	118	18	136
Docrat Faizal (Audit Committee Member)	6	72	4	76
Stock Patricia (Audit Committee Member)	6	69	1	70
	125	717	156	873

16. Depreciation and amortisation

Property, plant and equipment	1,582	1,634
Intangible assets	433	236
	2,015	1,870

17. Finance costs

Finance leases	14	38
Other	21	19
	35	57

18. Lease rentals on operating lease

Premises		
Contractual amounts	5,849	5,849

Figures in Rand thousand	2020	2019
19. General expenses		
Advertising	191	260
Appeal committee fees	817	737
Assessment rates and municipal charges	201	128
Awareness and publications	343	152
Bank charges	59	52
Bursary costs	226	733
CBE events	967	529
Catering	172	139
Cleaning	197	119
Conferences and seminars	18	1
Council support	9	200
Courier and postage	27	17
Insurance	279	260
Internal audit fees	696	593
Printing and stationery	68	78
Publishing	53	-
Repairs and maintenance	15	4
Staff welfare	78	47
Subscriptions and membership fees	58	59
Telephone and fax	83	106
Training	517	445
Utilities	794	753
	5,868	5,412

20. Cash (used in) generated from operations

Deficit	(627)	(541)
Adjustments for:		
Depreciation and amortisation	2,015	1,869
Gain on sale of assets and liabilities	161	31
Finance costs - Finance leases	14	38
Interest income	(10)	(10)
Bad debts written off	1	29
Movements in operating lease assets and accruals	(527)	(33)
Movements in provisions	277	230
Changes in working capital:		
Receivables from exchange transactions	(3,014)	110
Other receivables from non-exchange transactions	(521)	181
Payables from exchange transactions	(128)	(713)
	(2,359)	1,191

Figures in Rand thousand	2020	2019
21. Other cash items		
Insurance claims	10	27
Sundry receipts	11	223
	21	250
22. Commitments		
Authorised capital expenditure		
Approved and contracted		
• Property, plant and equipment	-	178
• Intangible assets	279	1,132
	279	1,310
Approved not yet contracted		
• Property, plant and equipment	264	-
	264	-
Total capital commitments		
Approved and contracted	279	1,310
Approved but not yet contracted	264	-
	543	1,310
Authorised operational expenditure		
Approved and contracted		
• Maths and Science Support Programme	80	768
• Website	-	69
• Internal audit fees	190	723
• Annual Report printing	571	38
• IT security	101	201
• Investigation	65	304
• IT seminar	-	40
• Probity	135	-
• Radio and TV interviews	130	-
• IT support services	78	-
• Training	156	-
• Risk management project	196	-
	1,702	2,143
Approved not yet contracted		
• Delegation of Authority review	58	-
• Technical opinion	75	-
	133	-
Total operational commitments		
Approved and contracted	1,702	2,143
Not yet contracted for and authorised by members	133	-
	1,835	2,143

Figures in Rand thousand	2020	2019
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22. Commitments (continued)

Total commitments

Total commitments

Authorised capital expenditure	543	1,310
Authorised operational expenditure	1,835	2,143
	2,378	3,453

At the end of the financial year, the CBE had commitments under non-cancellable agreements with suppliers. This committed expenditure relates to various 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.

Multi-year non-cancellable agreements were entered into for the annual report printing, internal audit fees and intangible assets.

Subsequent to the financial year-end, the service provider for certain electronical equipment could not fulfill the contract due to the Covid-19 pandemic. The contract was subsequently cancelled and the total commitments adjusted as this was an adjusting event after the reporting period.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	6,913	6,376
- in second to fifth year inclusive	7,495	14,408
	14,408	20,784

Operating lease payments represent rentals payable by the entity for its office accommodation. The CBE entered into a new lease agreement for a term of five years at an annual escalation of 8.5 percent. No contingent rent is payable. The CBE lease will expire on 31 March 2022.

23. Contingencies

Litigation against the entity relating to a dispute with two former employees has been referred for arbitration. The entity is likely to settle the matter at a cost of R 75,000. The entity's lawyers and management consider the likelihood of the action against the entity being successful as likely, and the case should be resolved within the next two years.

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 2019/20 financial year was under-utilised by R2.001 million. Of the R8.149 million in accumulated funds to date, R5.651 million represents the book value of the assets capitalised, which will be realised over time through the use of the assets.

National Treasury	2,001	336
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The CBE entered into a lease agreement. As part of the terms and conditions of the lease, a bank guarantee, to the value of R1,863 million, was issued in favour of the landlord. The funds are held in an investment account.

Figures in Rand thousand	2020	2019
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24. Related parties

Relationships	
Council members	Refer to Accounting Authority's report 15
Administrative Executive	National Department of Public Works and Infrastructure
Executive Authority	Hon. Minister Patricia de Lille
External Audit and Risk Committee members	Stock P Mangquku LM Konar L
Councils for the Built Environment Professionals (CBEP)	South African Council for the Architectural Profession (SACAP) South African Council for the Landscape Architectural Profession (SACLAP) Engineering Council of South Africa (ECSA) South African Council for the Property Valuers Profession (SACPVP) South African Council for the Project and Construction Management Professions (SACPCMP) South African Council for the Quantity Surveying Profession (SACQSP)

The transactions with the Administrative Executive are in respect of the Grant.

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

Receipts from the CBEP 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 CBEP.

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 their immediate families or any organisation in which they have significant influence.

Related party balances

Amounts included in Trade receivable regarding related parties

DPWI	-	29
SACAP	41	38
SACLAP	13	4
ECSA	519	77
SACPVP	66	63
SACPCMP	142	93
SACQSP	7	5

Provision for doubtful debts related to outstanding balances with related parties

DPWI	-	(29)
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Figures in Rand thousand	2020	2019
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24. Related parties (continued)

Expenses recognised in respect of bad or doubtful debts

DPWI	-	29
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Related party transactions

Grant received

DPWI	52,796	50,100
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Levies received

SACAP	436	406
SACLAP	13	12
ECSA	1,140	1,169
SACPVP	66	63
SACPCMP	314	371
SACQSP	141	138

Council support payments

SACLAP	-	200
SACQSP	9	-

CBE shares its office accommodation with SACLAP. SACLAP does not pay for this service. The estimated saving on SACLAP's administrative budget amounted to R140 675 (2019: R124 827).

The CBE also entered into memoranda of understanding with SACAP, SACLAP, SACPVP and Agreement SA for shared ICT services. The estimated savings are:

Shared ICT services		
SACLAP	30	9
SACPVP	8	39
Agreement SA	6	5
SACAP	-	4
	44	57

Key management information

Class	Description	Number
Non-executive board members (Refer to Note 16)	Council members	15
Audit committee (Refer to Note 16)	External audit committee members	3
Executive management (Refer to Note 15)	Senior management	3

Figures in Rand thousand	2020	2019
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25. Prior period errors

During the current period the CBE noted that the lease agreement required the CBE to return the leased premises to its original condition. The CBE did not recognise the initial dismantling cost as part of the cost of the leasehold improvements. The correction of this error has been retrospectively adjusted.

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

	2019	2018
Statement of financial position		
Increase in leasehold Improvements - cost	153	153
Increase in leasehold improvements - accumulated depreciation	(61)	(31)
Decrease in accumulated surplus	49	-
Increase in provisions	(190)	(170)
Statement of financial performance		
Increase in depreciation and amortisation	30	31
Increase in finance cost	19	18
Cash flow statement		
Cash flow from operating activities		
Increase in finance cost	19	-

26. 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.

At 31 March 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables from exchange	3,770	-	-	-
Finance lease obligation	56	140	-	-
At 31 March 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables from exchange	3,826	-	-	-
Finance lease obligation	85	-	-	-

Figures in Rand thousand	2020	2019
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26. Risk management (continued)

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	2020	2019
Receivables	4,365	831
Cash and cash equivalents	5,688	9,491
Other financial assets	94	95

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.

27. Going concern

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

The Executive Authority continues to provide the grant funding, as indicated in the Medium-Term Expenditure Framework (MTEF) over the MTEF period, to fund the ongoing operations of the CBE.

28. Events after the reporting date

Subsequent to the financial year-end, the service provider for certain electronic equipment could not fulfill the contract due to the Covid-19 pandemic. The contract was subsequently cancelled and the total commitments adjusted.

The bidding process for the internal and external audit bid commenced in January 2020 and was approved on 29 June 2020. The internal audit bid was awarded for a period of three years at a total value of R3.1 million. The external audit bid was awarded for a period of three years subject to an annual re-appointment at a total value of R3.7 million.

Due to the Covid-19 pandemic and the reprioritisation of funds, 12.06% of the CBE's income for the 2020/21 financial year has been surrendered in an effort to curb the effect of the pandemic on the national economy. This does not materially affect the entity's ability to continue as a going concern in the foreseeable future.

Figures in Rand thousand	2020	2019
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29. Fruitless and wasteful expenditure

Opening balance as previously reported	5	-
Opening balance	5	-
Add: Expenditure identified - current	-	5
Less: Amounts recovered - current	(5)	-
Closing balance	-	5

During the 2018/19 financial year it was discovered that a watercooler went missing during the office move. No action was taken to resolve the matter and the CBE incurred charges. The investigation has been finalised and the amount was recovered from the employee responsible.

30. Irregular expenditure

Opening balance as previously reported	8,909	8,767
Opening balance	8,909	8,767
Add: Irregular expenditure - current	-	142
Add: Irregular expenditure - prior period	2,786	-
Less: Amount found per determination not to be irregular	(159)	-
Closing balance	11,536	8,909

Incidents/cases identified in the current year include those listed below:

Contract extension not approved	Contract extension in excess of 15% not approved by delegated authority	2,786	-
Non-compliance with procurement process	Sole source deviations approved when goods or services could be procured from other service providers	-	129
		2,786	129

Cases under investigation

Two cases related to non-compliance with the competitive bidding threshold in the Supply Chain Management section. The CBE laid criminal charges against the former responsible Supply Chain Management official.

Non-compliance with Supply Chain Management Regulations	438	438
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Figures in Rand thousand	2020	2019
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30. Irregular expenditure (continued)

Irregular expenditure under Determination

Irregular expenditure incurred to the value of R11,535,781 was due to non-compliance with the prescripts of Supply Chain Management Regulations. During the 2014/15 financial year, irregular expenditure incurred to the value of R438,718 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 former responsible Supply Chain Management official.

The determination was finalised on R8,341,481 of irregular expenditure. The determination found that irregular expenditure amounting to R8,181,897 was incurred irregularly and that R159,584 was not incurred irregularly. As most of these cases are quite old, no disciplinary measures could be implemented against the officials, as the officials have left the employment of the CBE. The determination report did however prescribe certain necessary steps to request condonation from National Treasury in this regard.

The finalised determination also indicated that an amount of R 9,064 is recoverable from a former employee as it was proven without reasonable doubt that the official was liable for the identified non-compliance to the Supply Chain Management processes.

The determination process is currently underway for four sole source deviations, amounting to R129,398. A draft report has been issued in this regard.

A cursory investigation was performed on a tip-off received and a determination was initiated by Council, to identify the facts and losses related to legal fees. An irregular expenditure assessment was performed and it was noted that pre-approval for contract extensions were not obtained from the delegated authority and National Treasury prior to the amounts being paid. The aforementioned resulted in irregular expenditure identified in the current year amounting to R2,785,768. The matter is currently still under consideration.

31. Budget differences

Material differences between budget and actual amounts

31.1 Partnership Funding

The CBE entered into a partnership during the year for bursaries and stipends paid to students. There was a delayed analysis of claims submitted by CETA, which was placed under administration.

31.2 Other income

Other income comprises various ad hoc income items. The revenue generated related to proceeds from insurance claims and other recoveries.

31.3 Interest income

Interest is earned on surplus cash invested. Draw downs are done on a monthly basis based on the cash flow forecasts. More funds were invested due to savings.

31.4 Revenue from non-exchange transactions

The total grant income was received as budgeted. The variance is due to a delay in the receipts of expected CBEP levies due to the current Covid-19 Lockdown.

Figures in Rand thousand	2020	2019
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31. Budget differences (continued)

31.5 Employee related costs

The variance in personnel costs was due to a temporary placement for an employee placed on temporary incapacity leave.

31.6 Governance committees' remuneration

Due to the Council vacancy in the previous financial year, various special meetings were held to resolve long outstanding issues.

31.7 Lease rentals on operating leases

The variance is due to the pre-payment of the lease expense and the reversal of the prior year pre- payment.

31.8 Auditor's remuneration

The variance is due to a delay in the appointment of the external audit service provider as the CBE's 2020/21 financial audit will not be conducted by the Auditor-General South Africa.

31.9 General expenses

The variance is mainly attributable to prior year committed funds which were utilised for internal audit fees and training.

31.10 Computer expenses

A saving has been realised on computer expenses as no suitable service provider could be identified for the Microsoft 365 project.

31.11 Consulting and professional fees

A favourable variance was noted - the matter pending in the Labour Court to dismiss the former CEO's claim for unfair dismissal was put on hold, pending the outcome of the investigation of a whistle-blower hotline tip-off. The funds allocated for such legal action was therefore not utilised.

31.12 Intern stipend payments

Savings were realised as invoice submission by universities were delayed, due to the protracted staff and student strikes. This was further exacerbated by the closure of institutions by the Minister of Higher Education and Training due to the National Lockdown.

31.13 Mentor fees

Overspending occurred on mentorship costs for the Structured Candidacy Project as mock conference sessions were held to prepare the candidates for their final exams and assessment at the professional councils.

Figures in Rand thousand	2020	2019
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31. Budget differences (continued)

31.14 Travel - local

Favourable variance was noted due to:

- Rescheduling of mentorship visits planned towards the end of the quarter due to the Covid-19 pandemic. This resulted in savings of travelling cost for the Structured Candidacy Project
- Transformation Department's travel expenses below budget as no engagements were held with Provincial Departments but only with National Departments

31.15 Property, plant and equipment and intangible asset additions

The fixed asset variance is due to the purchases of IT infrastructure assets, funded by surplus funds and other assets purchased has been budgeted for as expenditure.

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The financial statements for the whole-of-government are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The financial statements are for the fiscal period from 01/04/2019 to 31/03/2020. The financial statements differ from the budget, which is approved on the cash basis and which deals only with the general government sector that excludes government business enterprises and certain other non-market government entities and activities.

Changes from the approved budget to the final budget

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.

The changes between the approved and final budget are a consequence of re-allocations within the approved budget parameters.

32. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

33. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Figures in Rand thousand 2020 2019

33. Prior-year adjustments (continued)

Statement of financial position				
2019				
	As previously reported	Correction of error	Re- classification	Restated
Office equipment - Cost	1,215	-	212	1,427
Office equipment - Accumulated depreciation	(720)	-	(142)	(862)
Leased office equipment - Cost	212	-	(212)	-
Leased office equipment - Accumulated depreciation	(142)	-	142	-
Current liability - Deferred operating lease liability	(1,557)	-	965	(592)
Non current liability - Deferred operating lease liability	-	-	(2,644)	(2,644)
Other financial liabilities - Current	(560)	-	560	-
Other financial liabilities - Non current	(1,119)	-	1,119	-
Leasehold improvements - Cost	3,160	153	-	3,313
Leasehold improvements - Accumulated depreciation	(1,251)	(61)	-	(1,312)
Accumulated surplus	(8,876)	49	-	(8,827)
Non current liability: Provisions for dismantling	-	(169)	-	(169)
Current liability: Provision for dismantling	-	(21)	-	(21)
	(9,638)	(49)	-	(9,687)

Figures in Rand thousand

2020

2019

33. Prior-year adjustments (continued)

Statement of financial performance				
2019				
	As previously reported	Correction of error	Re-classification	Restated
Total revenue	54,669	-	-	54,669
Depreciation and amortisation	(1,840)	(30)	-	(1,870)
Finance cost	(38)	(19)	-	(57)
Employee related cost	(29,245)	-	492	(28,753)
Administrative expenses	(13,706)	-	13,706	-
Operational expenses	(10,303)	-	10,303	-
Debt impairment	(29)	-	-	(29)
Governance committees' remuneration	-	-	(1,254)	(1,254)
Lease rentals on operating leases	-	-	(5,849)	(5,849)
Auditor's remuneration	-	-	(1,479)	(1,479)
Loss on disposal of assets	-	-	(58)	(58)
General expenses	-	-	(5,412)	(5,412)
Computer expenses	-	-	(1,640)	(1,640)
Consulting and professional fees	-	-	(1,940)	(1,940)
Intern stipend payments	-	-	(3,005)	(3,005)
Mentor fees	-	-	(1,452)	(1,452)
Travel - local	-	-	(2,412)	(2,412)
Deficit for the year	(492)	(49)	-	(541)

Cash flow statement				
2019				
	As previously reported	Correction of error	Re-classification	Restated
Cash flow from operating activities				
Payments - Employees	(17,124)	-	17,124	-
Payments - Suppliers	(36,555)	-	36,555	-
Payments - Employees and suppliers	-	19	(53,679)	(53,660)
Payments - Finance costs	(38)	(19)	-	(57)
	(53,717)	-	-	(53,717)

Errors

The following prior period errors adjustments occurred:

Figures in Rand thousand	2020	2019
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33. Prior-year adjustments (continued)

Provision for dismantling cost

During the current period the CBE noted that the lease agreement required the CBE to return the leased premises to its original condition. The CBE did not recognise the initial dismantling cost as part of the cost of the leasehold improvements. The correction of this error has been retrospectively adjusted.

Reclassifications

The CBE consulted on its current income statement disclosure and advice was obtained to rather reclassify expenditure and remove the administrative and operating expenditure categories so as to aid in the understanding of the users of the financial statements. Furthermore classification of leased office equipment, deferred operating lease obligations and payments to employees and suppliers were changed. Certain comparative figures have been reclassified for these items.

The following reclassifications adjustment occurred:

Expense classification

The CBE consulted on its current income statement disclosure and advice was obtained to rather reclassify expenditure and remove the administrative and operating expenditure categories so as to aid in the understanding of the users of the financial statements.

The CBE has further disaggregated the disclosure of its expenditure. The CBE has removed its first criteria of classifying expenditure either as operational expenditure or administrative expenditure. This is to better the users of the financial statements understanding of the types of expenses incurred by the CBE.

Reclassification of leased office equipment

During the prior year the CBE classified leased office equipment in its own category while in the current year the CBE has classified the leased office equipment as part of the total office equipment category. The reason for the reclassification is to avoid duplicate categories.

Reclassification of deferred operating lease liability and deferred tenant installation

During the prior year the CBE disclosed the long- and short term portion of the deferred operating lease liability as short-term. During the current year the CBE reclassified the long- and short term portion.

Furthermore in the prior year a technical opinion was obtained to indicate that the deferred tenant installation is considered to be an integral part of the lease and the realisation of the liability, is considered in the straightlining calculation. Consequently the deferred tenant installation is not a separate liability but part of the operating lease liability.

Payments to employees and suppliers

During the current year, the CBE has grouped the payments made to suppliers and employees in a single line item in the cash flow statement. The reason for this is as it is not a requirement of the GRAP standard to disclose the items separately.

Figures in Rand thousand

2020

2019

34. Segment information**General information****Identification of segment**

The CBE manages its operations as a single segment with the Council and Chief Executive Officer (CEO) making key financial decisions based on combined operations for its programmes, focusing on skills for infrastructure delivery, built environment research, regulation and oversight for the built environment professions (CBEP) and transformation (refer to the performance report on page 36 to 73). Resource allocation, assets and liabilities are also managed on a combined basis. Geographical information is not provided as there are no distinct economic benefits derived from different geographical segments. The CBE delivers services throughout the country but does not measure and manage resources on that basis.





Architecture
Landscape Architecture
Engineering
Property Valuers
Project & Construction
Management
Quantity Surveying



PART F

COUNCILS FOR THE BUILT ENVIRONMENT PROFESSIONS

COUNCIL FOR THE BUILT ENVIRONMENT

1. Introduction

This section outlines the activities undertaken by the Councils for the Built Environment Professions (CBEP) for the 2019/20 financial year, submitted to the CBE at the end of March 2020. It analyses their performance against their legislated functions, collated through the templates developed by the CBE, and submitted by the CBEP on a quarterly basis.

Built Environment Professionals play a critical role in planning, developing, building and maintaining public infrastructure. Whether it is water treatment facilities, bridges and roads, public transit, utilities and the electricity grid, Built Environment Professions (BEPs) play a part in all aspects of public infrastructure. Ultimately, the six CBEP use their expertise, experience and knowledge to help create a safer, more sustainable, and prosperous future for South Africa.

While the work of engineers, architects, project and construction management, quantity surveying, landscape architects and property valuers largely takes place in the background, its impact and importance is visible all around us.

Built Environment Professionals have the knowledge to plan, design, assess, supervise, build, and maintain South Africa's infrastructure. They are involved from the design concept, through to implementation and construction, ongoing operation, property valuation, landscaping and maintenance, to decommissioning. Together, their work serves to plan and develop the best infrastructure for the South African public. Overall, Built Environment Professionals' know-how can help government, municipalities and infrastructure owners prioritise and assess projects and programmes to maintain a high standard of infrastructure in South Africa, and ultimately protect the safety, health and economic prosperity of all its citizens.

2. Legislative and Regulatory Framework of the Built Environment Professions

The respective Built Environment Professions Acts empower the CBEP 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 Voluntary Associations (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; and*
- (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:

- i. entry to the professions by trained persons
- ii. a mechanism for establishing and enforcing standards of training and practice
- iii. an avenue for consumers to address complaints against practitioners

3. Human Resource Development

3.1 Registration

This function aims to monitor the extent to which the CBEP are transforming to reflect the South African population demographics through:

- i. analysing the demographics of individuals currently registered with the CBEP
- ii. assessing the demographics of candidates and professionals of the CBEP who will hopefully take up the profession
- iii. identifying potential bottle necks and recommending ways to improve accessibility of these professions to all who reside in the country

REGISTERED PROFESSIONALS

Overall Percentage of Registered Candidates and Professionals in the six CBEP

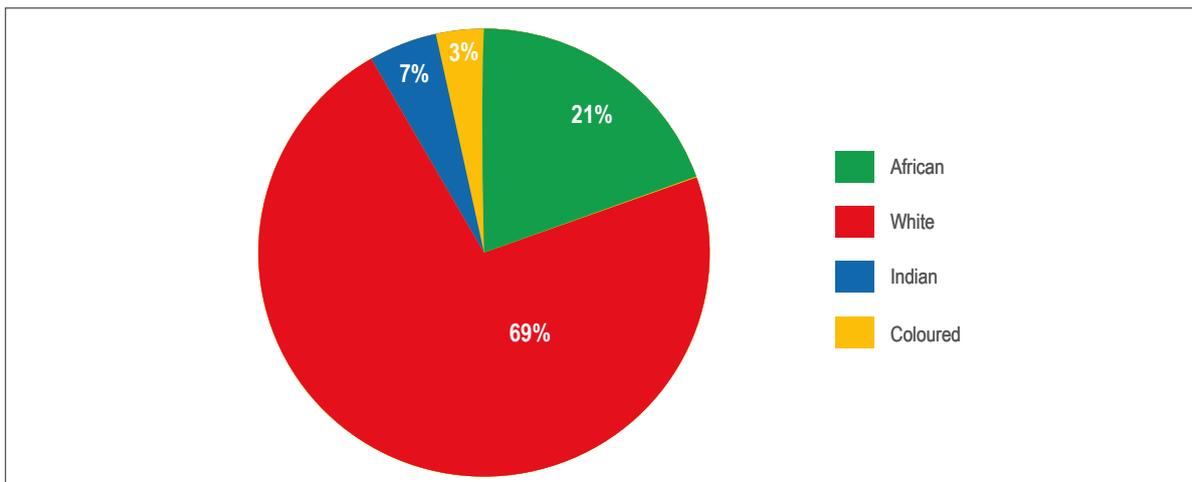


Figure 2: CBEP 2019/20 Race Profile
 (Source: CBEP Fourth Quarter Report 2019/20)

Figure 2 indicates that by the end of the 2019/20 financial year, the white population group remains the most dominant race in the BEPs, accounting for 69% of the registered persons across the six professions. The African population is a distant second, accounting for 21% of BEPs, followed by Indian and coloured populations, accounting for 7% and 3% of the BEPs respectively. The racial profile of the BEPs remains unbalanced with the Indian and coloured populations significantly underrepresented in the BEPs across the six councils. The BEPs can better understand and, therefore, protect the public interest, if they are representative of the demographics of the Republic of South Africa.

Gender Profile of the six CBEP

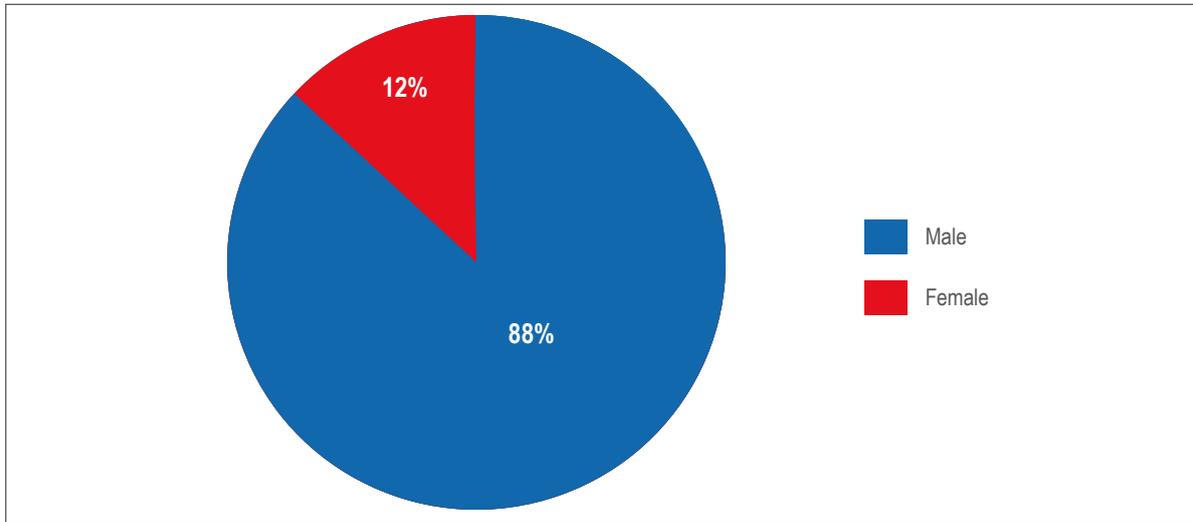


Figure 3: CBEP Gender Profile
(Source: CBEP Fourth Quarter Report 2019/20)

Figure 3 depicts that 88% of the professionals registered with the CBEP by the end of the 2019/20 financial year were male. This demonstrates that CBEP membership is dominated by males, with only 12% female representation. While women constitute more than half of South Africa’s population they are, however, significantly underrepresented in the Built Environment Professions. This highlights the continuous need to implement mechanisms to offer females the correct assistance and support to ensure that their representation improves in order to achieve a more balanced CBEP profile.

Number of Registered Professionals by Gender

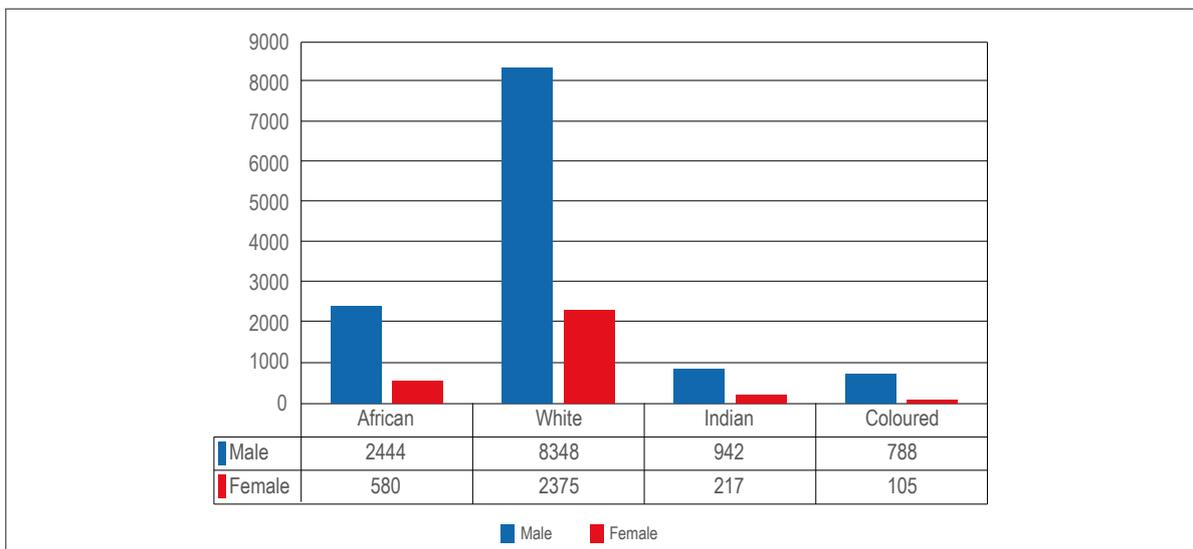


Figure 4: CBEP 2019/20 Gender and Race Profile
(Source: CBEP Fourth Quarter Report 2019/20)

Figure 4 compares the number of professionals registered with the CBEP according to their gender and race. It is evident that white males comprise the majority of the registered professionals accounting for 8348, followed by African males at 2444 and white females at 2375. Indian and coloured females remain the least prominent groups in the CBEP membership.⁶

⁶ Analysis of the CBEP 2019/20 gender and race profile does not include ECSA. ECSA’s submitted annual registration statistics did not categorise its gender data per race.

CBEP 2019/20 Composition

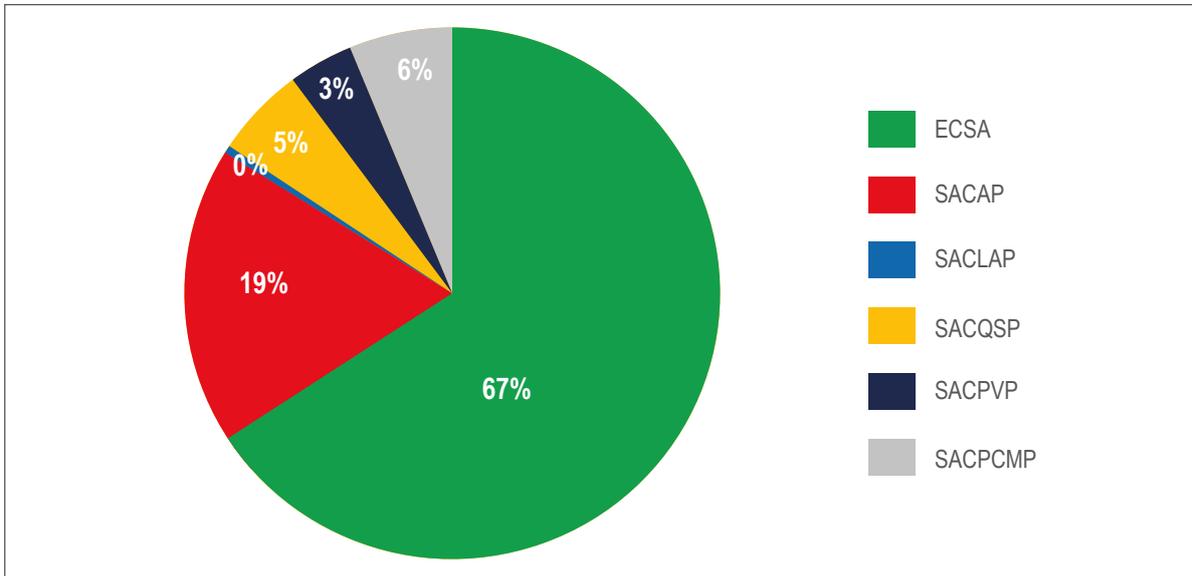


Figure 5: CBEP 2019/20 Composition
 (Source: CBEP Fourth Quarter Report 2019/20)

Figure 5 illustrates the percentage distribution of professionals across the six CBEP by the end of the 2019/20 financial year.

- (1) Engineering Council of South Africa (ECSA) – 67%
- (2) South Africa Council for the Architectural Profession (SACAP) – 19%
- (3) South African Council for the Project and Construction Management Profession (SACPCMP) - 6%
- (4) The remaining three CBEP – South African Council for Landscape Architecture Profession (SACLAP), South African Council for Property Valuers Profession (SACPVP) and South African Council for the Quantity Surveying Profession (SACQSP) combined made up the remaining 8% of registered professions in the CBEP

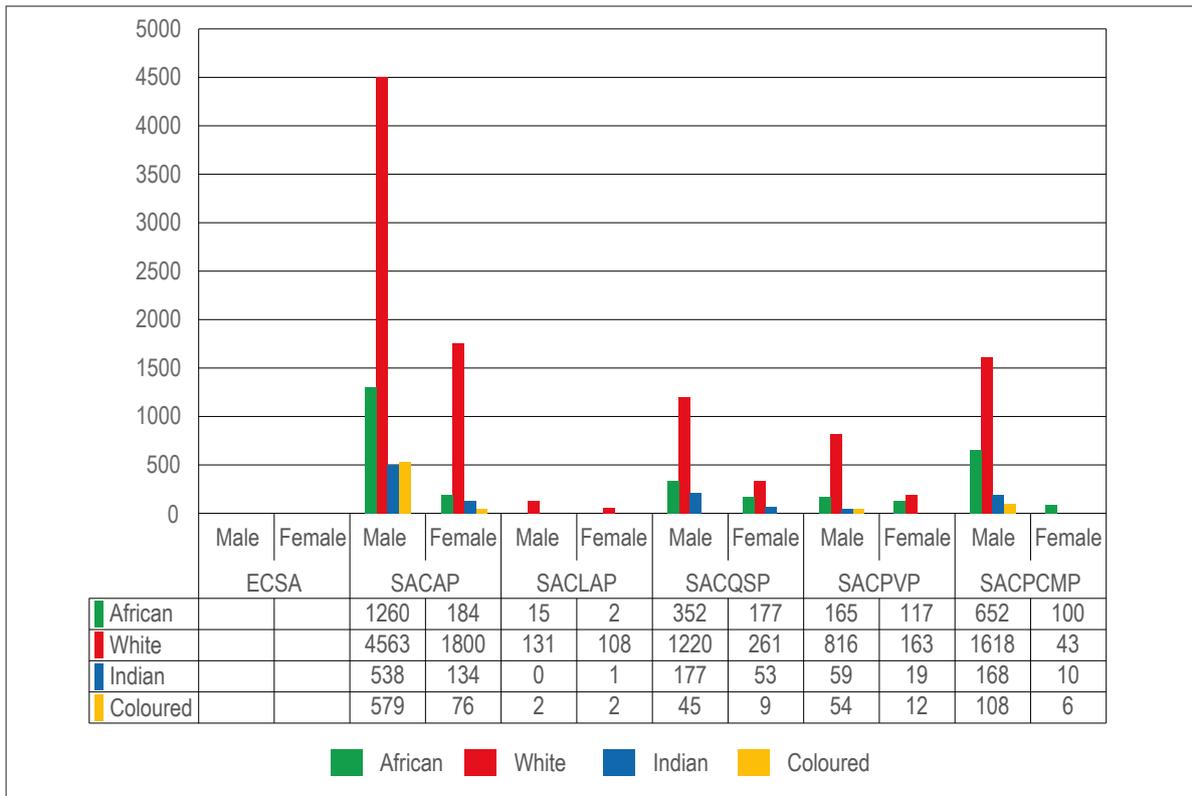


Figure 6: CBEP 2019/20 Comparison per Gender, Race and Profession
(Source: CBEP Fourth Quarter Report 2019/20)

Figure 6 compares the demographic composition of each of the six professions by gender and race at the end of the 2019/20 financial year. These figures mirror the demographics contained in figure 4, alluding to white male dominance in the BEPs. Figure 6 demonstrates the need to improve registration numbers of the other three demographic groups, in order to achieve a demographically balanced profile. Figure 6 further illustrates that the contribution of SACLAP, SACPVP and SACQSP to the number of registered professionals in the Built Environment remains relatively low compared to those of SACAP and SACPCMP, presenting the opportunity to increase numbers of registered professionals in these field in a manner that promotes equality.⁷

⁷ Comparison of CBEP 2019/20 gender, race and profession does not include ECSA. ECSA's submitted annual registration statistics did not include gender by registration category and race.

Number of Registered Professionals by Council and Registration Category

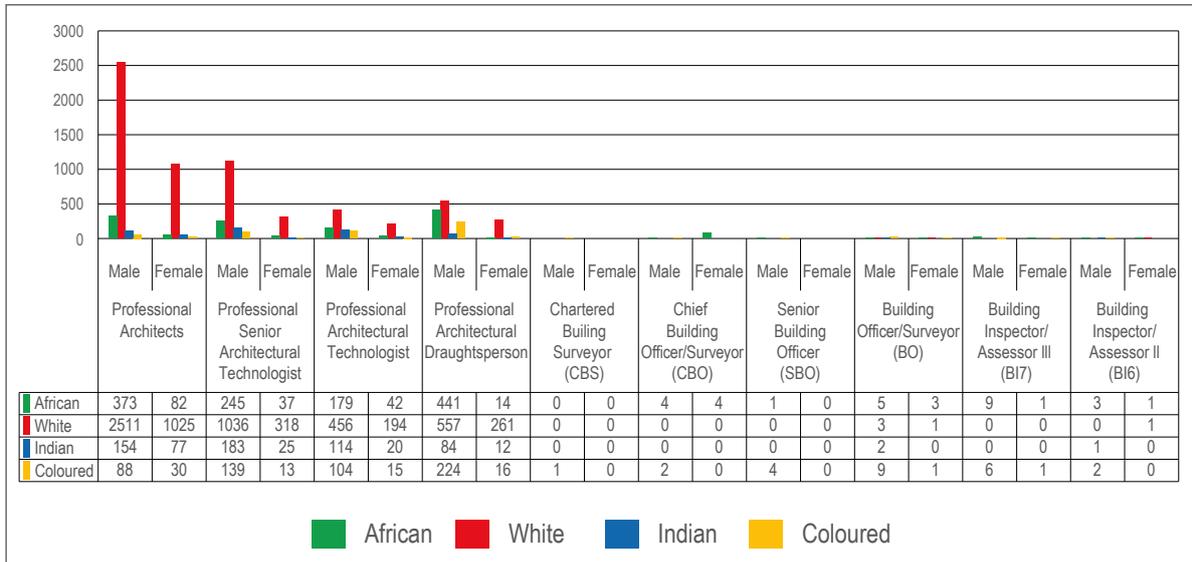


Figure 7: SACAP 2019/20 Professionals per Gender, Race and Discipline
 (Source: SACAP Fourth Quarter Report 2019/20)

Figure 7 compares SACAP’s numbers of registered professionals by race, gender and category. SACAP has the highest number of registered Professional Architects, followed by Professional Senior Architectural Technologists, Professional Architectural Draughtspersons and Professional Architectural Technologists, while the remaining six recognised disciplines follow drastically behind these. White males make up the majority of the registered professionals in almost all the identified SACAP disciplines, followed by white females. While the other demographic groups are present, their representation is minimal and does not reflect the South African population.

Figure 7 also indicates that by the end of the 2019/20 financial year SACAP had further registered a total of 65 persons (52 males and 13 females) in specified categories. The identified specialised categories include Chartered Building Surveyor (CBS), Chief Building Officer (CBO), Senior Building Officer (SBO), Building Officer (BO), Building Inspector/Assessor III (BI7) and Building Inspector/Assessor II (BI6).

F

Councils for the Built Environment **Professions**

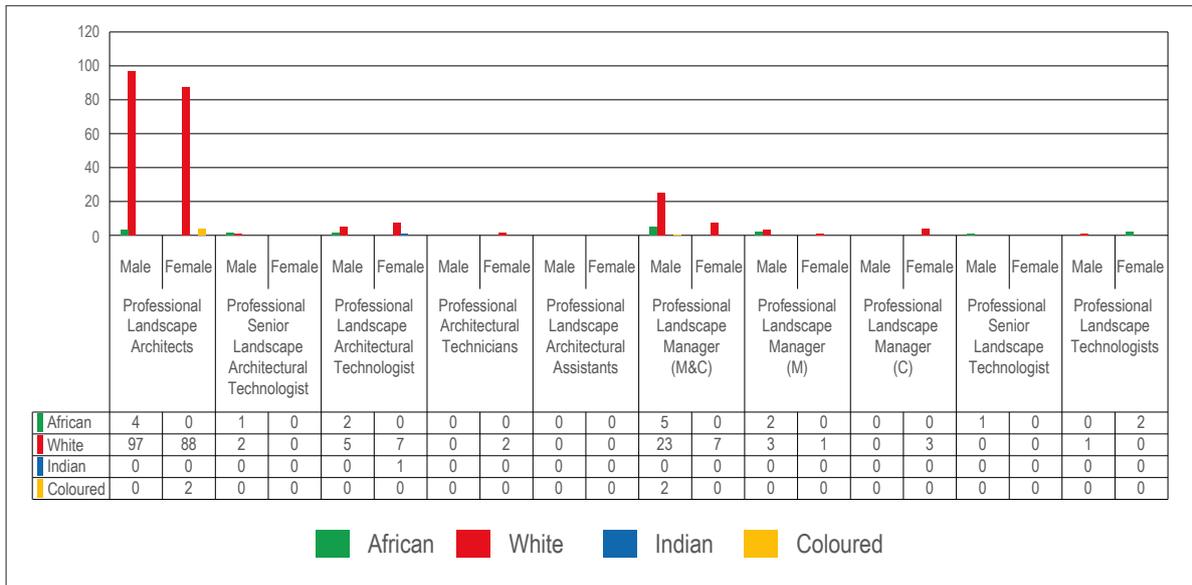


Figure 8: SACLAP 2019/20 Professionals per Gender, Race and Discipline
 (Source: SACLAP Fourth Quarter Report 2019/20)

Figure 8 compares SACLAP’s registered professionals per gender, race and discipline by the end of the 2019/20 financial year. Professional Landscape Architects had the highest number of registered professionals, with white males dominating the membership numbers at 97, followed by white females at 88. The Professional Landscape Manager (M&C) discipline is a distant second and the remaining disciplines had comparatively lower numbers, while the Professional Landscape Architectural Assistants had no registered professionals across all the racial groups.

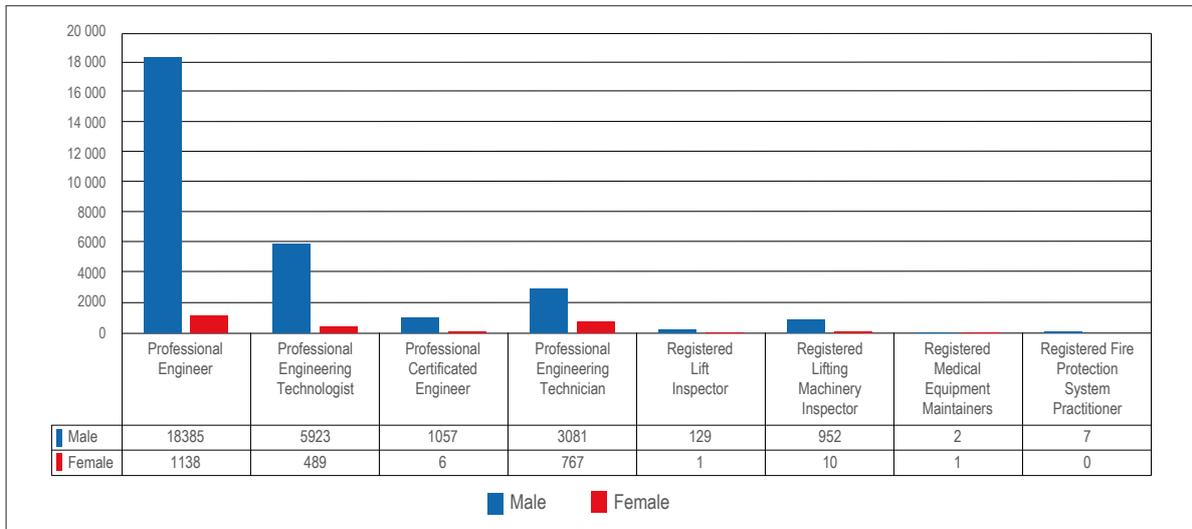


Figure 9: ECSA 2019/20 Professionals per Gender, Race and Discipline
 (Source: ECSA Fourth Quarter Report 2019/20)

Figure 9 compares ECSA's numbers of registered professionals by gender and category by the end of the 2019/20 financial year. Professional Engineer had the highest number of registered professionals, followed by Professional Engineering Technologist, Professional Engineering Technician, Professional Certification Engineer, whilst the remaining four disciplines follow drastically behind these. As is the norm across the BEPs, ECSA's professional membership is also dominated by males in all of its identified disciplines.⁸

⁸ ECSA 2019/20 registration data is analysed and compared by gender and profession only. The submitted annual registration statistics did not categorise gender per race.

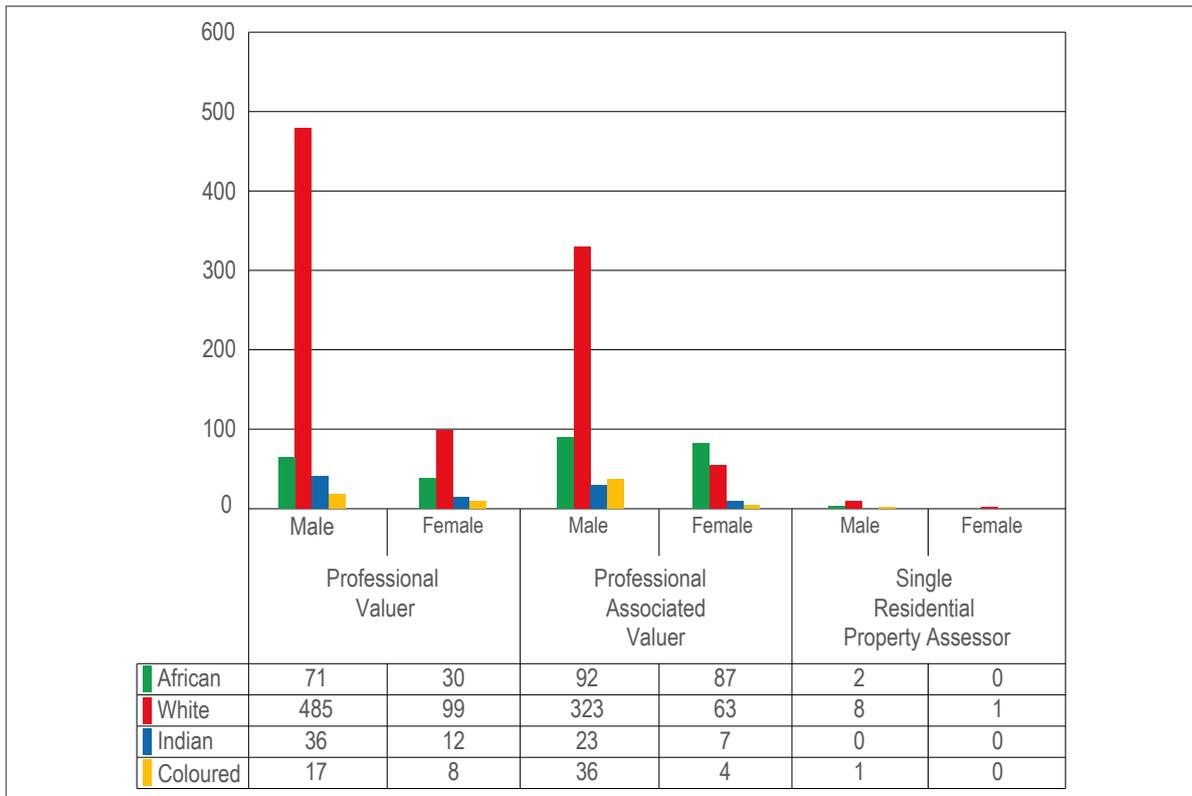


Figure 10: SACPVP 2019/20 Professionals per Gender, Race and Discipline
 (Source: SACPVP Fourth Quarter Report 2019/20)

Figure 10 compares SACPVP’s number of registered professionals by gender, race and discipline by the 2019/20 financial year. White males account for the largest group of registered persons across all of the SACPVP recognised disciplines, followed by white females and African males. The Professional Valuer category had the most number of registered professionals, followed by Professional Associated Valuer, while Single Residential Property Assessor had the least number of registered professionals of the three disciplines. African, Indian and coloured females are the least represented groups. However, it is noted that in the category of Professional Associated Valuer, there are more African females than white females.

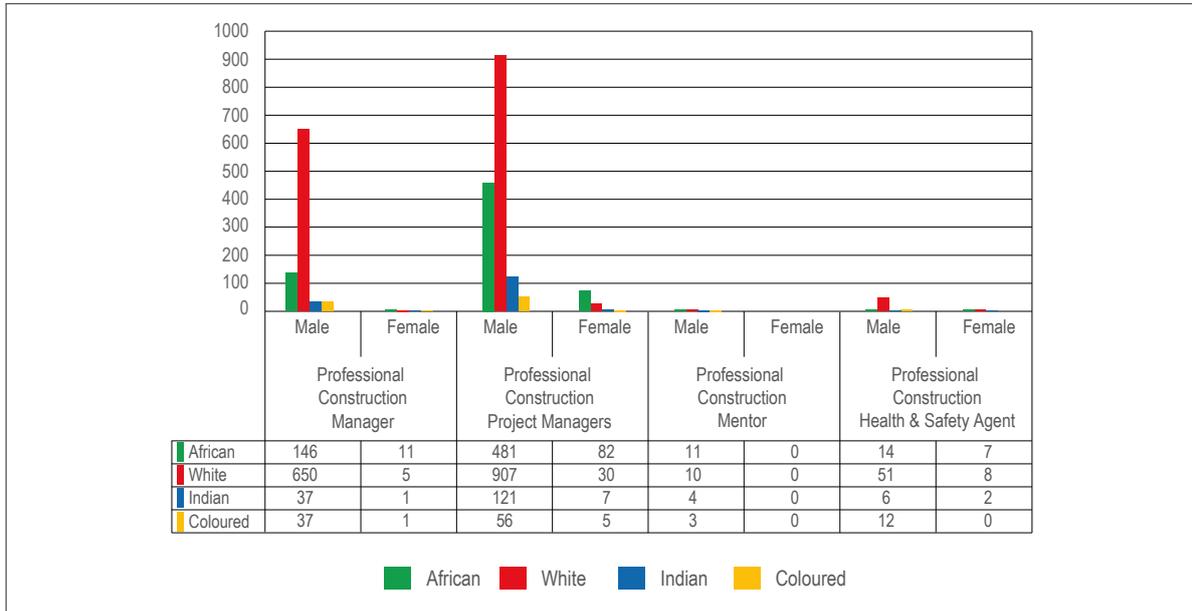


Figure 11: SACPCMP 2019/20 Professionals per Gender, Race and Discipline
(Source: SACPCMP Fourth Quarter Report 2019/20)

Figure 11 compares SACPCMP’s numbers of registered professionals by race, gender and discipline at the end of the 2019/20 financial year. It is evident that white males are the most dominant group in three of the recognised SACPCMP disciplines, while females remain significantly underrepresented across all the disciplines. Figure 11 highlights that males, particularly white males, dominate this profession. It further illustrates that registered professionals are concentrated in the professions of Construction Manager and Construction Project Manager, whilst Construction Mentor and Construction Health and Safety Agent disciplines remain well below these.

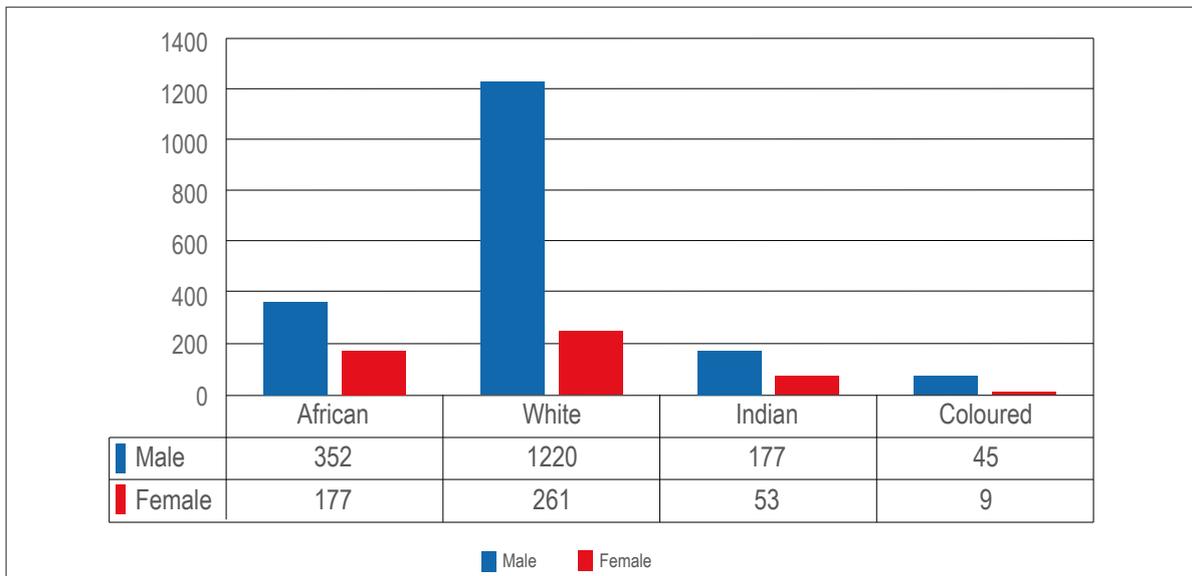


Figure 12: SACQSP 2019/20 Professionals per Gender and Race
(Source: SACQSP Fourth Quarter Report 2019/20)

Figure 12 demonstrates SACQSP’s professionals by gender and race at the end of 2019/20 financial year. Similar to the other BEPs, white males account for the majority of registered professionals with a total number of 1220, followed by African males at 352 and white females at 261. The Indian and coloured groups remain underrepresented. The need to improve the representation of both these racial groups (coloured and Indian) and the representation of females is evident in all the BEPs.

Aggregate Growth in Professionals’ Registrations in the CBEP from 2016/17 to 2019/20 Financial Years

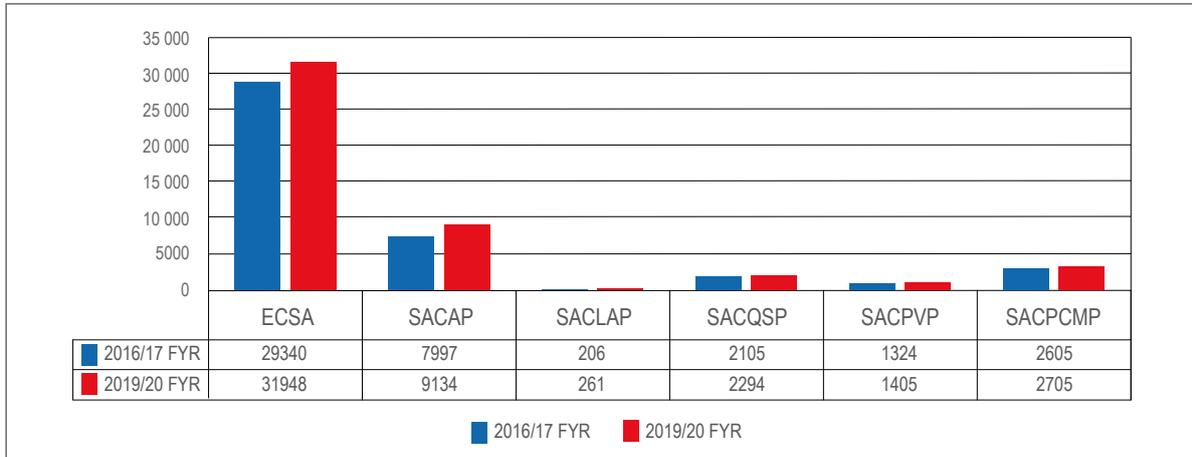


Figure 13: CBEP Professional Registration from 2016/17 to 2019/20 Financial Years (Source: CBE 2016/17 Annual Report and CBEP Fourth Quarter Report 2019/20)

Figure 13 compares aggregate growth of professional registration data in the CBEP from 2016/17 with the 2019/20 financial years. The data indicates that there was a slight increase in the registration of professionals across all the six CBEP. SACLAP increased its professional membership by 27% (from 206 in 2016/17 to 261 in 2019/20), followed by SACAP with 14% increase (from 7997 to 9134), ECSA and SACQSP with 9% each, while SACPVP membership increased by 6 % (from 1324 to 1405) and SACPCMP with just 4% (from 2605 to 2705). The analysis suggests that the overall professional membership in the CBEP increased by 10% - from 43 577 in 2016/17 to 47 747 by the end of 2019/20.

Aggregate Growth of Professional Registration of the African Population Group in the CBEP from 2016/17 to 2019/20 Financial Years

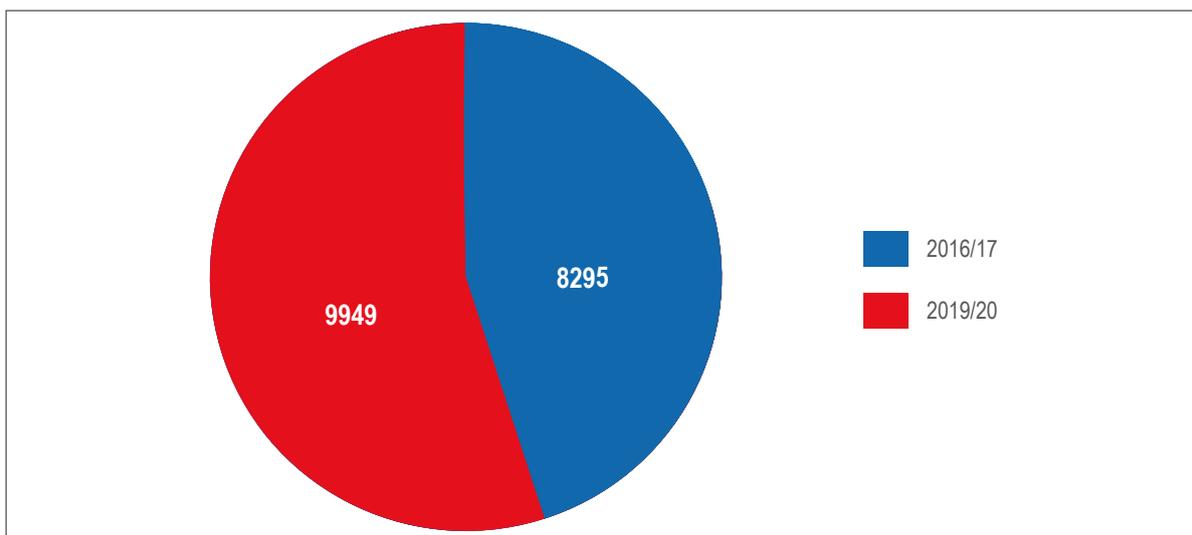


Figure 14: CBEP Professional Registration of the African Population from 2016/17 to 2019/20 Financial Years (Source: CBE 2016/17 Annual Report and CBEP Fourth Quarter Report 2019/20)

Figure 14 compares the aggregate growth of professional registration of the African population group in the CBEP from the 2016/17 to 2019/20 financial years. It indicates that the number of African professionals across the CBEP increased by 1654 (from 8 295 in 2016/17 to 9 949 in 2019/20), a growth of 20% over the past five years. As demonstrated by figures 13 and 14, progress towards ensuring equitable access to CBEP professional membership is relatively slow, compared to candidate membership.

Professional registration data in the CBEP indicates that by the end of the 2019/20 financial year, the white population group accounted for the majority of the registered professionals in all of the six CBEP. The African population was the second most dominant demographic group in the CBEP space, while the Indian and coloured population groups were the overall minority in all the BEPs. This, therefore, infers that transformation remains one of the key challenges faced by the BEPs.

The data further provided that majority of the registered professionals are males, accounting for 88% of the registered individuals across the BEPs. The analysis highlights that the representation of women, Indian and coloured population groups is relatively low within the CBEP. The data, thus, reveals that there is a need to improve access to the CBEP by women and both the coloured and Indian population groups.

Additionally, 2016/17 and 2019/20 registration data was compared to determine progress on professional membership in the CBEP. The overall professional membership has increased by 10%, suggesting that 10% of candidates converted to professionals over the past five years. The analysis indicates that more needs to be done to assist candidates registered with BEPs to transit to professional status.

REGISTERED CANDIDATES

This section is an analysis of the demographic composition (race and gender) of registered candidates per registration category in the CBEP, and highlights areas of improvement for transformational change.

Percentage of Registered Candidates by Race

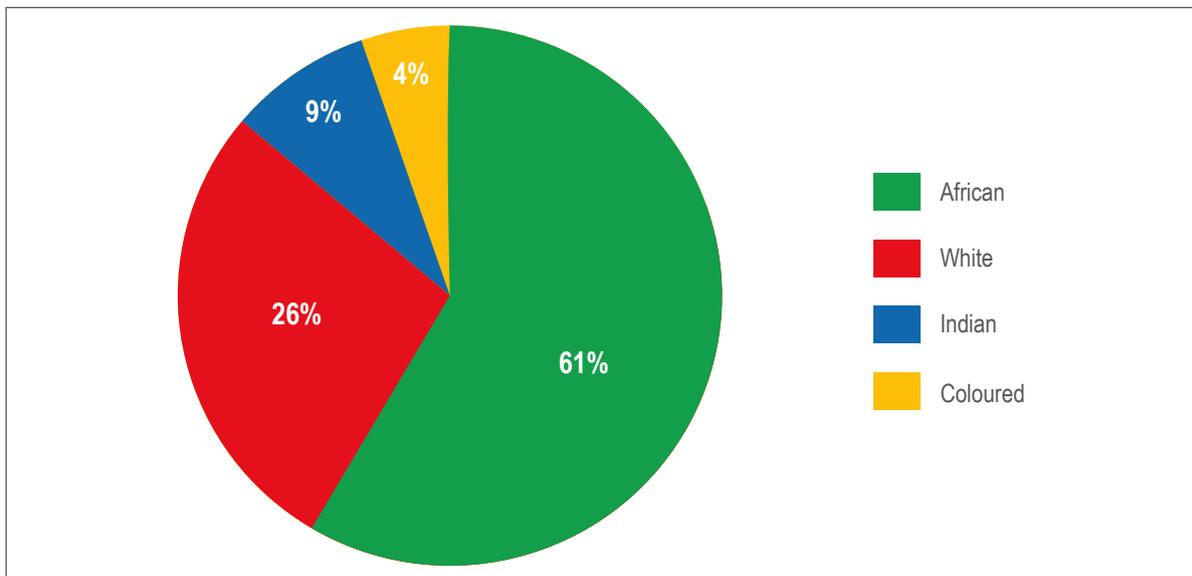


Figure 15: CBEP 2019/20 Candidate Race Profile
 (Source: CBEP Fourth Quarter Report 2019/20)

Figure 15 highlights the demographic composition of candidates in the CBEP by the end of the 2019/20 financial year. The African population accounted for 61% of the candidates, whites accounted for 26%, while Indians and coloureds combined accounted for 13% of the candidates.

Percentage of Registered Candidates by Gender

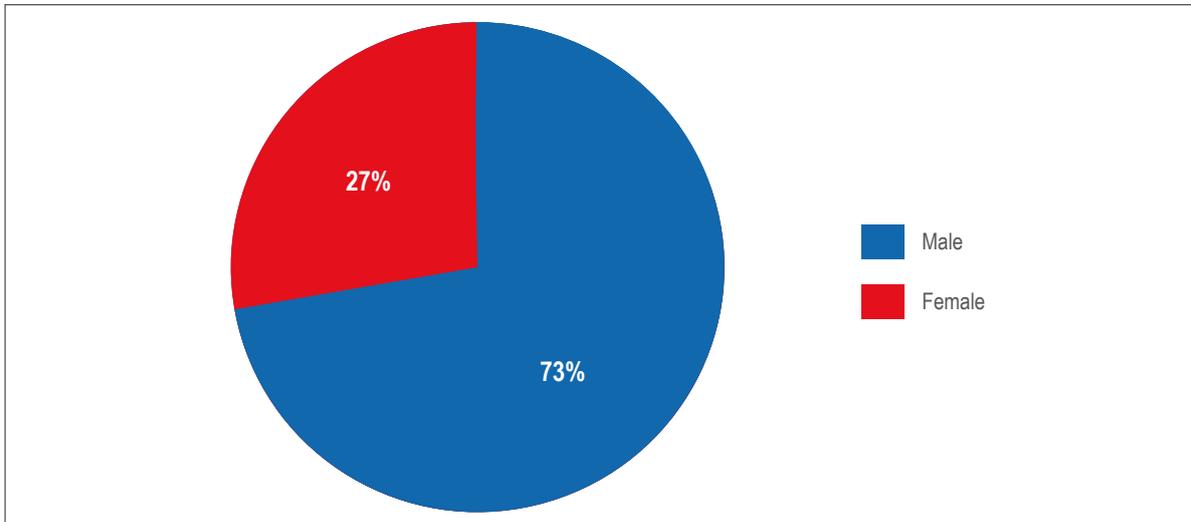


Figure 16: CBEP 2019/20 Candidate Gender Profile
 (Source: CBEP Fourth Quarter Reports 2019/20)

Figure 16 compares CBEP numbers of registered candidates by gender at the end of the 2019/20 financial year. As with registered professionals, male candidates dominate CBEP membership, accounting for 73% of the registered candidates, while females account for the remaining 27%. The data for registered professionals and candidates suggests a need to improve the representation of females in the BEPs.

Number of Registered Candidates by Race and Gender

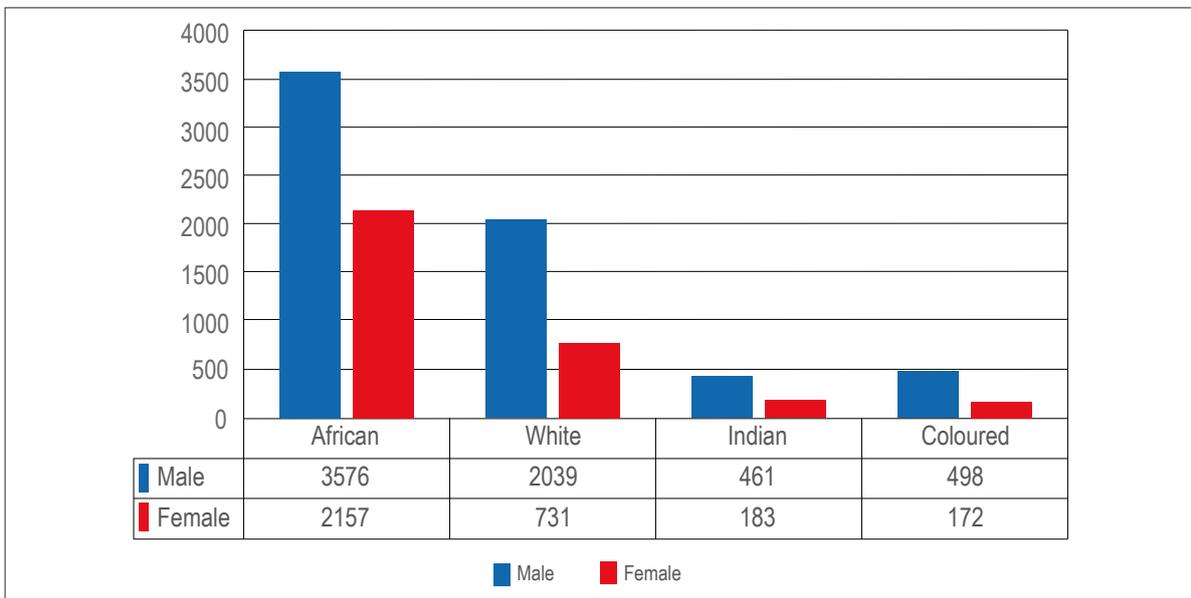


Figure 17: CBEP 2019/20 Candidate Profile per Gender and Race
 (Source: CBEP Fourth Quarter Report 2019/20)

Figure 17 compares CBEP numbers of registered candidates by gender and race at the end of the 2019/20 financial year. The majority of CBEP candidates were African males, followed by white males and African females. As demonstrated in figures 15 and 16, there is more significant progress in the race composition of registered candidates than in the gender dynamic.⁹

⁹ Analysis of the CBEP 2019/20 gender and race profile does not include ECSA. ECSA's submitted annual registration statistics did not categorise gender per race.

Registered Candidates per Race, Gender and Profession

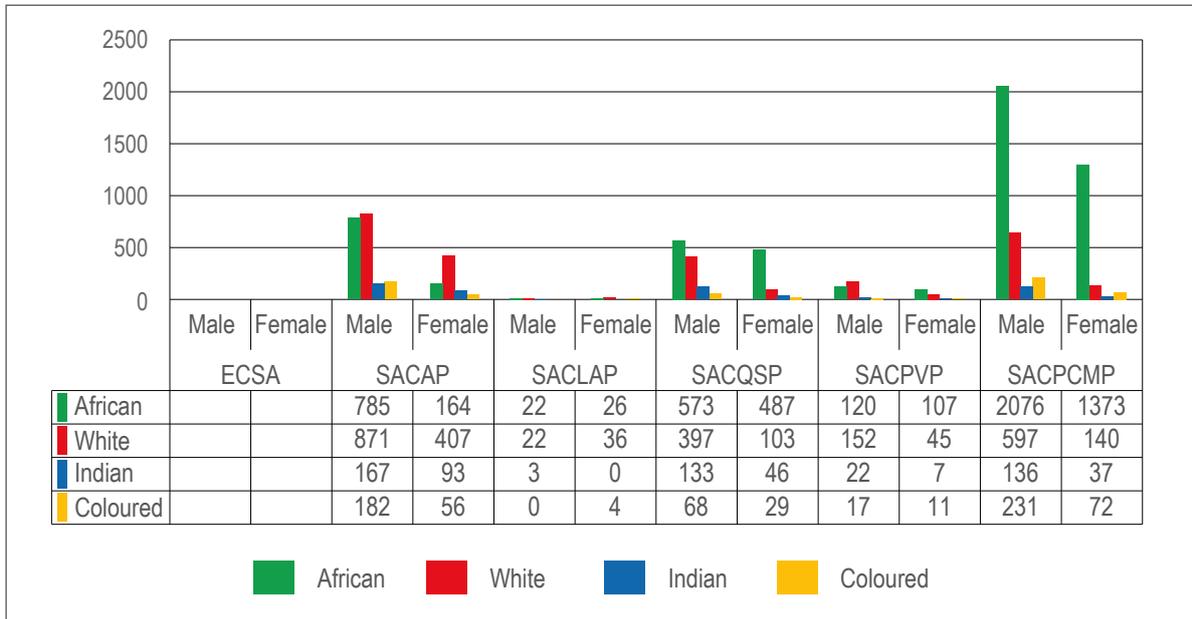


Figure 18: CBEP 2019/20 Candidate Profile by Gender, Race and Profession
 (Source: CBEP Fourth Quarter Report 2019/20)

Figure 18 compares the number of registered candidates per profession by race and gender at the end of the 2019/20 financial year. SACPCMP had the highest number of registered candidates, followed by SACAP and SACQSP, while SACLAP and SACPVP’s contribution to the number of registered candidates in the Built Environment is relatively low. Figure 18 alludes to male domination in the BEP candidate membership, with African males dominating SACPCMP and SACQSP membership, while white males dominated SACAP and SACPVP candidate membership. Figure 18 accordingly demonstrates improved access to the candidates’ membership by the African population, highlighting progress made towards transforming the BEPs. It is noteworthy to indicate that access to both the candidate and professional membership by women, coloured and Indian population groups remains a challenge.¹⁰

¹⁰ The CBEP 2019/20 comparison per gender, race and profession does not include ECISA. ECISA’s submitted annual registration statistics did not analyse gender by registration category and race.

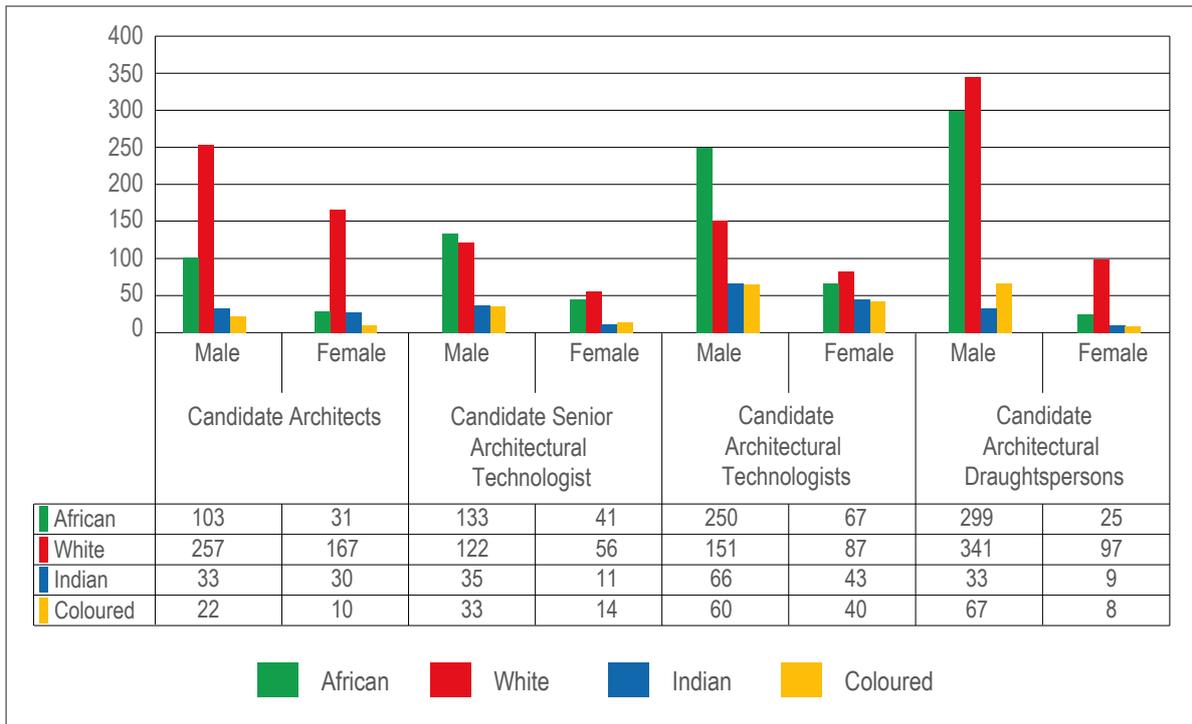


Figure 19: SACAP 2019/20 Candidate Profile per Gender, Race and Discipline
 (Source: SACAP Fourth Quarter Report 2019/20)

Figure 19 illustrates SACAP's numbers of registered candidates by gender, race and discipline at the end of the 2019/20 financial year. SACAP's candidate membership increased slightly across all four recognised categories. White male candidates are the most dominant group in three of the four disciplines, followed by the African males and white females. As per the trend across all the other BEPs, the majority of registered candidates within SACAP were male, highlighting the constant need to include females in this male dominated industry, particularly of the African population group, to ensure progress towards a more equitable landscape in the Architecture profession.

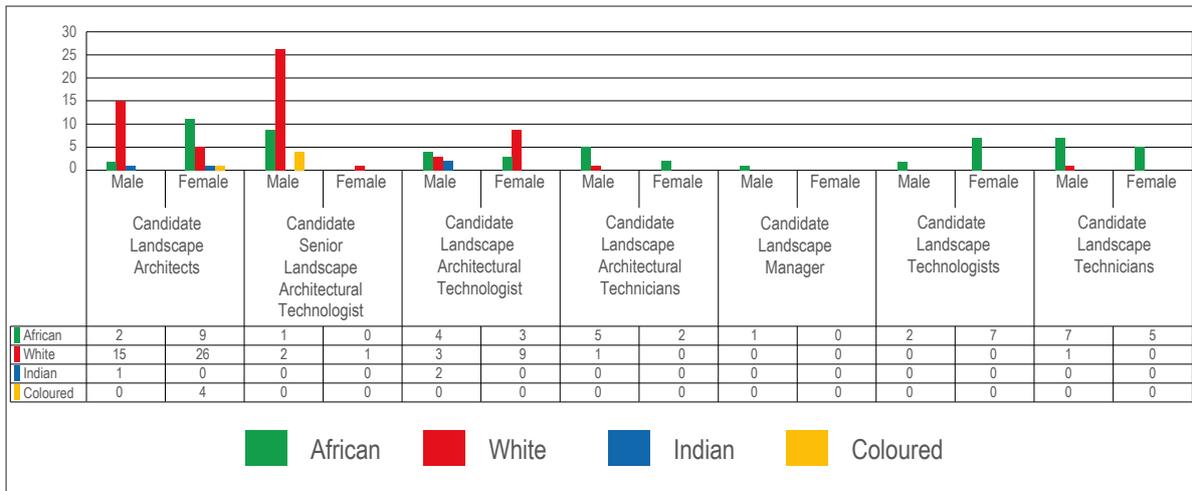


Figure 20: SACLAP 2019/20 Candidate Profile per Gender, Race and Discipline
 (Source: SACLAP Fourth Quarter Report 2019/20)

Figure 20 compares SACLAP candidates by gender, race and discipline at the end of the 2019/20 financial year. As with the trend across SACLAP registered professionals, the white population group accounted for the largest share of the registered candidates at the end of the 2019/20 financial year. White females remain the largest group of candidates within SACLAP, followed by white males and African males. Figure 20 explicitly illustrates that SACLAP’s profile is significantly unbalanced, alluding to white dominance in three categories, with the African population dominating the remaining four recognised categories, while the representation of the Indian and coloured population groups is almost non-existent in all of the seven categories. The need to increase access to SACLAP’s professions by the two minority groups is evident.

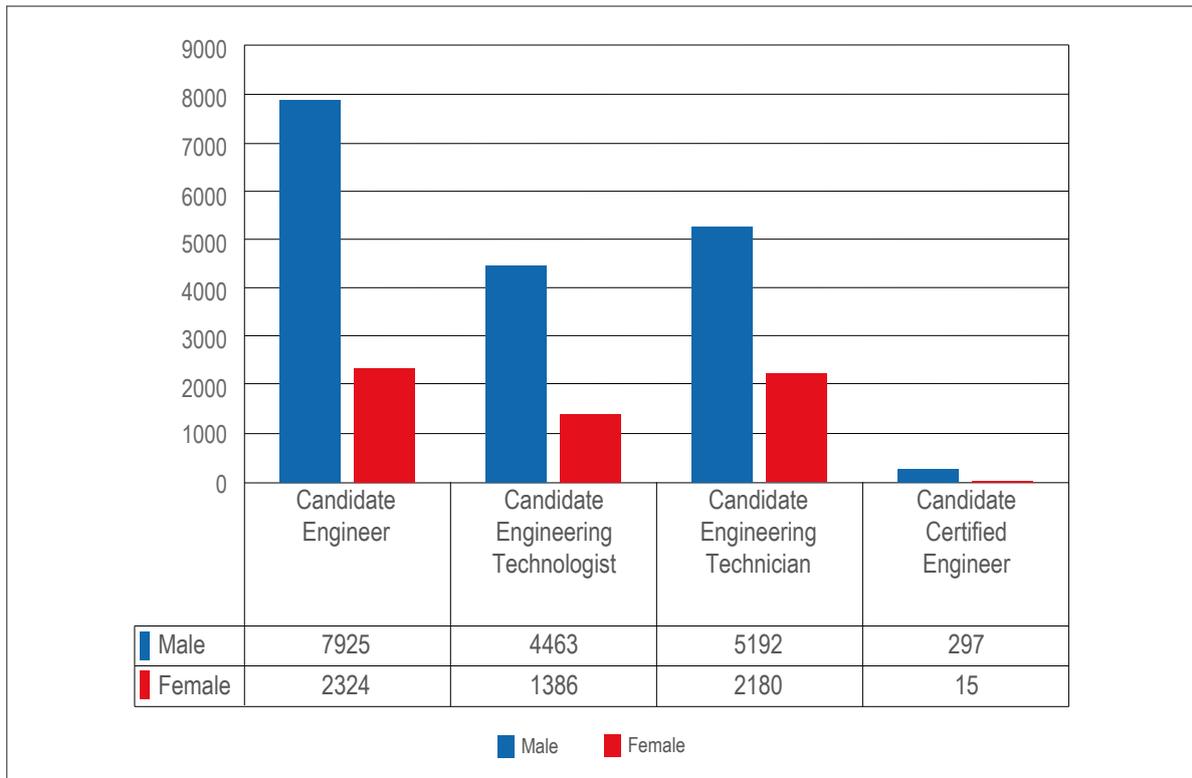


Figure 21: ECSA 2019/20 Candidate Profile per Gender, Race and Discipline
 (Source: ECSA Fourth Quarter Report 2019/20)

Figure 21 compares ECSA's candidate numbers per gender and discipline at the end of the 2019/20 financial year. Males dominated ECSA's candidate membership; however, female representation within ECSA's is high compared to the other five councils. Figure 21 also depicts that Candidate Engineer had the highest numbers of registered persons, followed by Candidate Engineering Technician, Candidate Engineering Technologist, while Candidate Certified Engineer had relatively low numbers of registered persons compared to the three disciplines. Figure 9 and 21 emphasises ECSA's dominance in the CBEP in terms of registered persons in both the professional and candidate memberships.¹¹

¹¹ ECSA's 2019/20 registration data is analysed and compared by gender and profession only. The submitted annual registration statistics did not categorise gender per race.

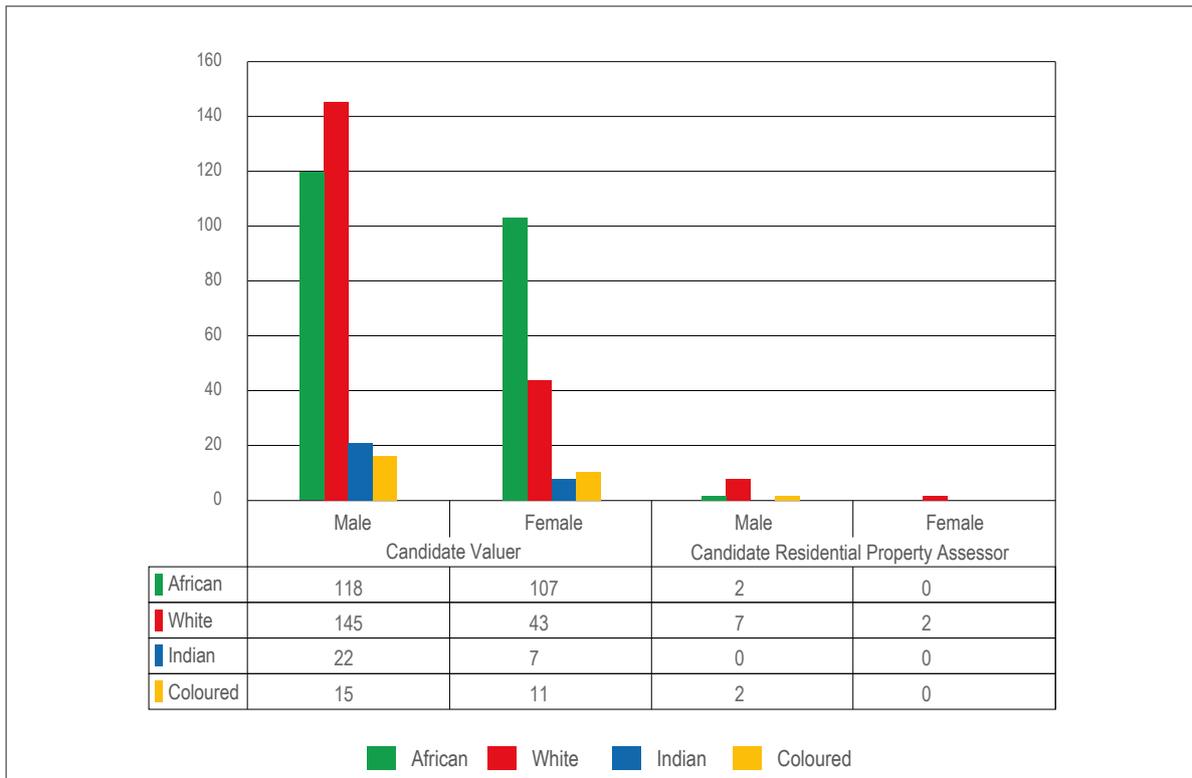


Figure 22: SACPVP 2019/20 Candidate Profile per Gender, Race and Discipline
 (Source: SACPVP Fourth Quarter Report 2019/20)

Figure 22 compares the number of SACPVP’s candidates by gender, race and category at the end of the 2019/20 financial year. SACPVP had the highest numbers of registered white males, followed by African males and African females in the category of Candidate Valuer. The Candidate Single Residential Property Assessor category had the lowest numbers of registered candidates compared to Candidate Valuers across all racial groups. Figure 22 illustrates that although there is a large number of females in the SACPVP candidate programme, female representation in the Candidate Single Residential Property Assessor category is almost non-existent. It further highlights that compared with the numbers of SACPVP registered professionals, there is a notable improvement in the representation of the African population group, predominantly in the “Valuer” category, suggesting progress towards a more equitable and demographically transformed SACPVP.

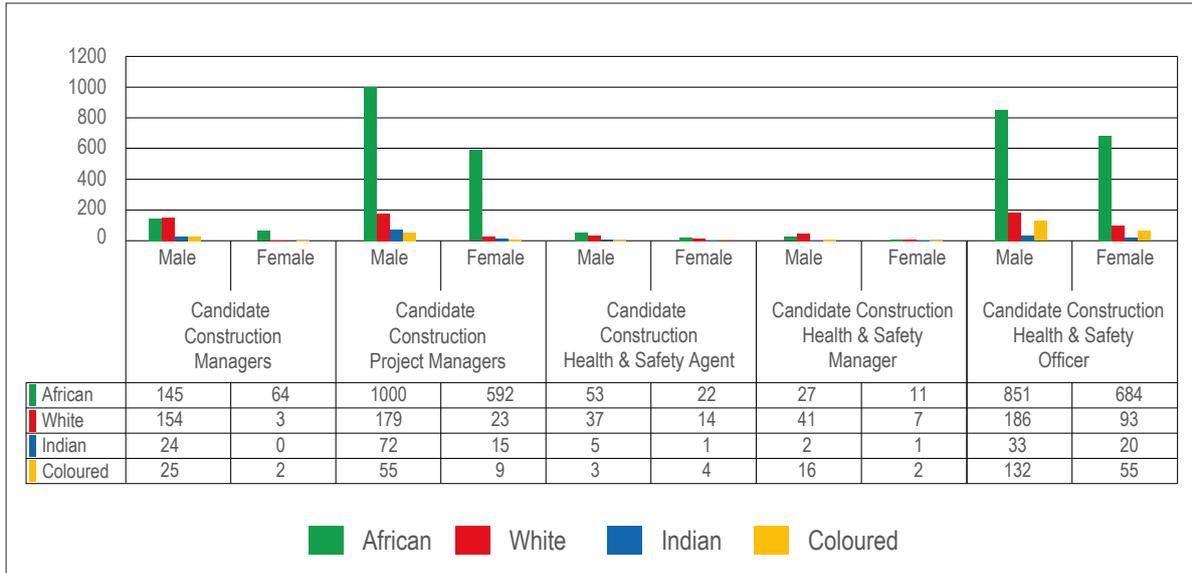


Figure 23: SACPCMP 2019/20 Candidate Profile per Gender, Race and Discipline
 (Source: SACPCMP Fourth Quarter Report: 2019/20)

Figure 23 compares SACPCMP candidates profile by gender, race and category at the end of the 2019/20 financial year. African males accounted for the largest number of SACPCMP registered candidates, followed by African females and white males. Coloured and Indian population groups remain underrepresented in all of the five SACPCMP recognised categories compared to the other population groups. However, the 2019/20 registration data indicates a slight increase in the number of coloured candidates, more so in the Candidate Construction Health and Safety Officer category. SACPCMP’s 2019/20 registration data indicates that participation of the African and coloured groups will improve in most of the recognised categories, resulting in a demographically transformed SACPCMP.

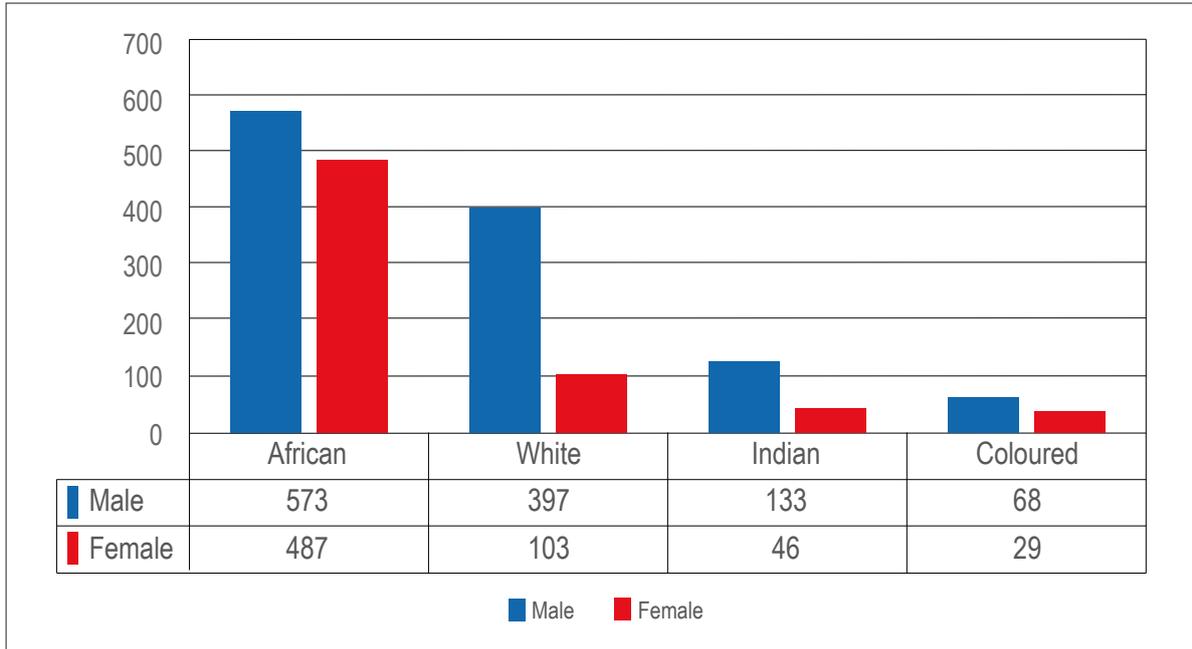


Figure 24: SACQSP 2019/20 Candidate Profile per Gender and Race
 (Source: SACQSP Fourth Quarter Report 2019/20)

Figure 24 compares the number of SACQSP candidates by gender, race and discipline at the end of the 2019/20 financial year. Males accounted for most of SACQSP candidates, with African males accounting for 573 of the registered individuals, followed by white males at 397, Indian males at 133 and coloured males at 68. Although there is significant female representation (particularly African), the need to improve female access to SACQSP candidate opportunities is crucial to ensure a more demographically transformed SACQSP profile.

Candidate Registration in the CBEP from 2016/17 to 2019/20 Financial Years

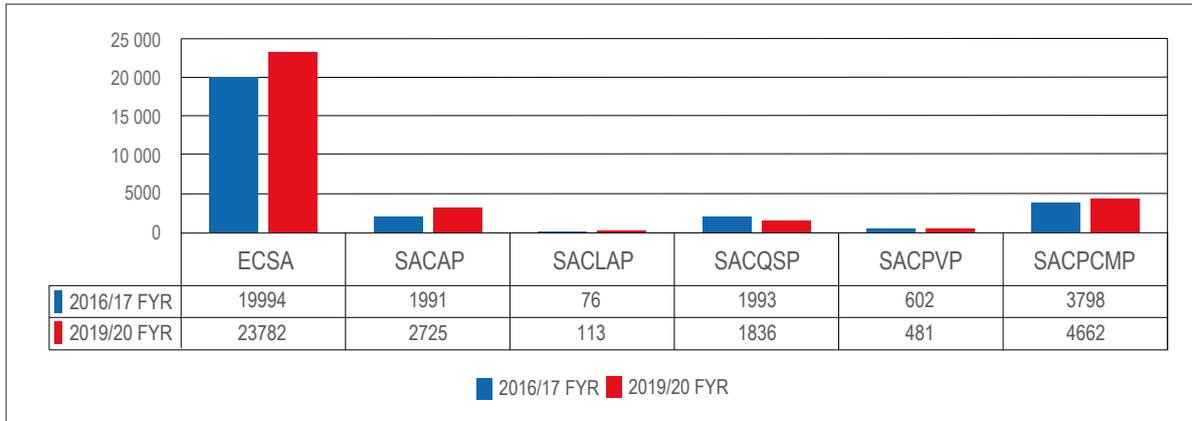


Figure 25: Candidate Registration in the CBEP from 2016/17 to 2019/20 Financial Years
 (Source: CBE 2016/17 Annual Report and CBEP Fourth Quarter Report 2019/20)

Figure 25 evaluates candidate registration growth from the 2016/17 to 2019/20 financial years. SACLAP’s candidate membership increased by 49% (from 76 to 113), followed by SACAP with an increase of 37% (from 1991 to 2725), SACPCMP with an increase of 23% (from 3798 to 4662) and ECESA with an increase of 19% (from 19994 to 23782) at the end of the 2019/20 financial year. It is noteworthy that over the past five years, SACPVP’s candidate membership decreased by 20% (from 602 to 481), and SACQSP’s membership decreased by 8% (from 1993 to 1836). When compared with professional registration over the same period, candidate membership increased almost twofold, with an overall increase of 18% (from 28454 to 33599). This provides the inference that if the current contingent of registered candidates convert to registered professionals, the demographic composition of the CBEP will become more representative of the South African population.

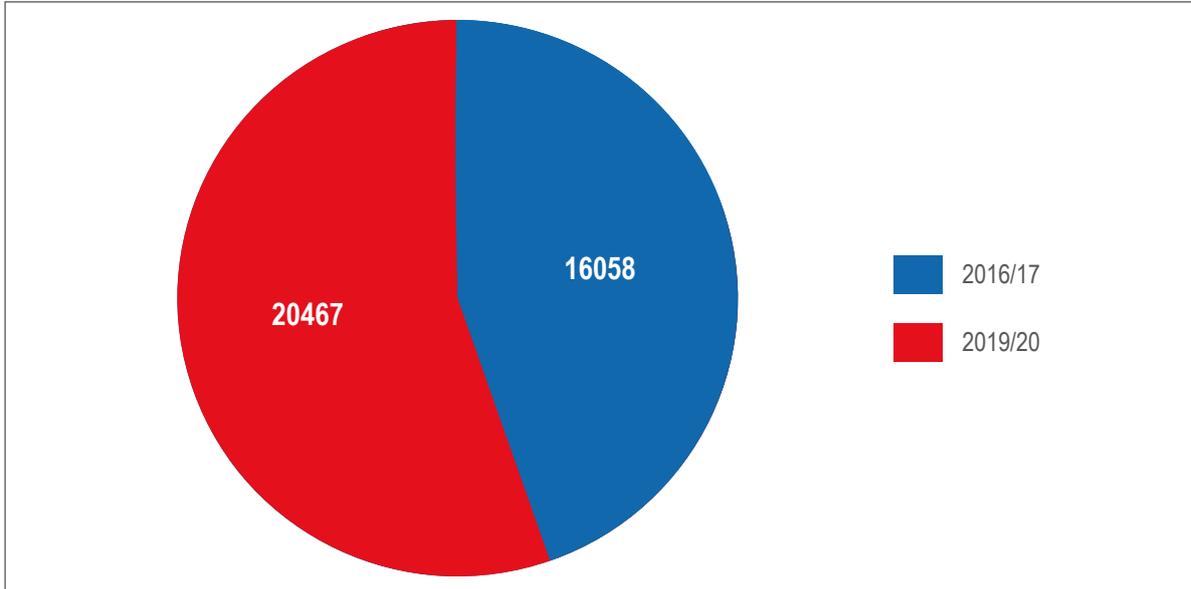
Aggregate Growth of Candidate Registrations of the African Population Group in the CBEP from the 2016/17 to 2019/20 Financial Years

Figure 26: CBEP Candidate Registration of the African Population Group from the 2016/17 to 2019/20 Financial Years
(Source: CBE 2016/17 Annual Report and CBEP Fourth Quarter Report 2019/20)

Figure 26 assesses candidate registration growth of the African population group in the CBEP from the 2016/17 to 2019/20 financial years. It indicates that the number of African candidates increased by 4 409 (from 16 058 to 20 467), translating to a 27% increase over the past five years. As demonstrated by figures 13 and 25, candidate membership is more accessible than professional membership in the CBEP. The need for registered candidates to access CBEP professional membership is evident; transformation in this area is reliant on the current crop of registered candidates transiting to registered professionals.

The 2019/20 candidate registration data indicates significant progress towards transforming the CBEP. However, for the CBEP to be representative of the South African population, efforts need to be concentrated on developing a transformation strategy and an action plan to transit registered candidates to professionals.

Moreover, the analysis illustrates that majority of the CBEP are male dominated, specifically white males. Hence there is need to improve women representation in the CBEP space, especially within the male dominated disciplines to ensure a more equitable CBEP.

The comparison of candidates and professional growth from the 2016/17 to 2019/20 financial years also highlight that more needs to be done in ensuring equitable access to the CBEP, in order to achieve a more transformed CBEP.

CBE Initiatives to Transform the Built Environment Professions

The CBE has made huge strides by in breaking down the mind set of working in silos in the Built Environment sector and promoting collaboration among influential role players to collectively drive transformation. A pivotal outcome from the CBE's third Transformation Indaba on 09 -10 October 2019 was to establish collaborative committees to take custodianship of specific topical issues relating to transformation. The following four Transformation Collaborative Committees (TransComs) have been established with the support from DPWI:

1. Procurement Policy and Legislation
2. Women Empowerment and Gender Equality
3. Occupation Specific Dispensation
4. Skills Development

In February 2020, the CBE and DPWI engaged with the TransComs to actualise and streamline their programmes. The TransComs are commissioned to engage with all relevant departments and industry role players to resolve key challenges identified by stakeholders. They are also taking cognisance of other industry players that have emerged as a result of Covid-19 rendering the industry no longer 'business as usual'.

The CBE has developed a monitoring mechanism to regulate statutory compliance in all public and private sector infrastructure projects, in line with the CBE mandate as prescribed by the Council for the Built Environment Act (the Act). The rollout process in this regard involves the following interventions:

- i. Assessment of all current infrastructure projects in all spheres of government for compliance with skills development KPIs, in line with Board Notice 180 of 2013. This intervention will crack down the slow pace of transformation of the sector and address difficulties faced by graduates who require experiential training to register as professionals
- ii. Assessment of all current infrastructure projects for compliance with targets for women and youth development, in line with the Employment Equity Act as amended in 2019 and the National Policy Framework for Women's Empowerment and Gender Equality of 2000. This intervention will accelerate the slow pace of women and youth empowerment that has characterised the Built Environment sector for too long
- iii. Assessment of all current projects for compliance with enterprise development KPIs in the form of contract participation goals (CPG), in line with Board Notice 21 of 2013. This intervention will address all bottlenecks in the development of emerging professional practices who struggle to get contracts that will enable them to grow their capacities and tap into big projects
- iv. Monitoring and evaluating compliance with the cidb's Standard for Developing Skills through Infrastructure Contracts, as gazetted in 2013. The Gazette mandated that 0.5% of the tender value of general building contracts and 0.25% of the tender value of civil engineering contracts are allocated to workplace training on public sector contracts in cidb grades seven to nine
- v. The issue of professionals who do not have access to work
- vi. Demand and supply of Built Environment candidates from higher education institutions to work places
- vii. Tracking and monitoring procurement spend against transformation imperatives

4. Accreditation

Section 13 of the six Built Environment Professions Acts of 2000, subject to sections 5 and 7 of the Higher Education Act, 1997 (Act 101 of 1997), empowers the CBEP to conduct accreditation visits to any educational institution which has a department, school or faculty of that profession. These visits must be conducted once during its Council's 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. The Council may conditionally or unconditionally grant, refuse, and withdraw accreditation regarding all educational institutions and their educational programmes.

Section 4(p) of the CBE Act impels the CBE to *promote coordination between the Council on Higher Education and the CBEP in relation to the accreditation of educational institutions*. The CBE, as an appeals body, will administer cases of institutions unfairly refused accreditation.

Accreditation of education programmes is an important element for quality assurance and maintaining professional standards against national and international standards. Completion of an accredited course of study is generally a key criterion for registration with the CBEP.

Objectives of Accreditation

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

- i. establish whether a programme meets the educational requirements toward registration in a particular category
- ii. establish whether the graduates of a programme are ready to enter employment, and are equipped to continue learning throughout their careers
- iii. establish the international comparability of programmes
- iv. assure the public of the quality of the programme
- v. evaluate and, subsequently, maintain the quality and standard of CBEP programmes offered at public South African higher education providers
- vi. 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 evaluate the teaching programmes offered at universities and UoTs.

During the 2019/20 financial year, the following accreditation activities were reported by the CBEP:

SACAP

SACAP's fifth term Council ratified its validation schedule and visits will begin in 2021. The schedule had to be mindful of SACAP being a signatory to the Canberra Accord and due to changes within the Higher Education Qualifications Sub-Framework (HEQSF), programmes at Architectural Learning Sites (ALS) have been re-curriculated. A letter to the Minister explained that SACAP's validation cycle falls outside of the fifth term Council's term of office. SACAP's Validation Protocols are being reviewed by its Education Committee and will be ready by May 2020. SACAP is addressing short falls in the Recognition of Prior Learning (RPL) applications, and hopes to assist these applicants to upskill themselves in areas they lack. SACAP has taken on full administration of bursaries to students, whereas in the past it disbursed bursary funds to the ALS' to identify students.

SACLAP

SACLAP conducted two accreditation visits during the third quarter of the 2019/20 financial year:

1. Tshwane University of Technology : 17 – 18 September 2019
2. University of South Africa (UNISA) : 19 – 20 September 2019

Table 50: ECSA's Accreditation Visits

Institution	Type of Visit	Date
North-West University (NWU)	Provisional Accreditation Visit	18 – 19 July 2019
Tshwane University of Technology (TUT)	Provisional Accreditation Visit	29 – 30 July 2019
Cape Peninsula University of Technology (CPUT)	Provisional Accreditation Visit	10 – 12 August 2019
Vaal University of Technology (VUT)	Provisional Accreditation Visit	15 16 August 2019
Cape Peninsula University of Technology (CPUT)	Provisional Accreditation Visit	26 – 27 August 2019
University of Pretoria (UP)	Interim Accreditation Visit	13 August 2019
Witwatersrand University (WITS)	Interim Accreditation Visit	17 September 2019
University of KwaZulu-Natal (UKZN)	Regular Accreditation Visit	3 – 4 October 2019
Nelson Mandela University (NMU)	Regular/ Provisional Accreditation Visit	9 – 10 October 2019
Walter Sisulu University (WSU)	Regular Accreditation Visit	5 - 8 November 2019
Durban University of Technology (DUT)	Interim, Provisional, Regular Accreditation Visit	27 – 29 November 2019

SACPVP

SACPVP, during its previous Council's term of office, visited all tertiary educational institutions that offer valuation programmes to assess whether or not to accredit their programmes. A total of eleven programmes are presently accredited. These comprise four masters, two post graduate diplomas, four bachelor degrees and one diploma. SACPVP planned to conduct two accreditation visits in the ensuing year (2020/21), but this remains uncertain due to the Covid-19 lockdown. Accreditation visits should be conducted during this Council's term of office (July 2018 to June 2022). It must be noted that the programmes remain accredited until the next accreditation visit.

SACPCMP

In quarter three, SACPCMP gazetted its revised Programme Accreditation Policy for public comment on 30 August 2019, which closed on 11 October 2019. A critical aspect underpinning this review was to align the Policy to lessons learnt from the first and second accreditation cycles. The review also considered the Department of Higher Education and Training's policy change of the educational framework to HEQSF, and the termination of BTech, MTech, and DTech qualifications at UoTs which required alignment with the new HEQSF framework. The Committee consolidated the public comments received for Council's approval.

In quarter four, the revised Programme Accreditation Policy was gazetted on 7 February 2020 for implementation.

SACQSP

SACQSP is currently reviewing its accreditation policy to align with the Council of Higher Education Qualification Sub-Framework and the National Qualifications Framework. The challenge is that UoTs are struggling to meet the minimum requirements regarding certain criteria to achieve full accreditation

SACQSP conducted three accreditation visits during the third quarter of the 2019/20 financial year:

Table 51: SACQSP's Accreditation Visits

Institution	Accreditation Status	Date
Nelson Mandela University (NMU)	Full Accreditation	26-27 September 2019
Durban University of Technology (DUT)	Provisional Accreditation (with conditions)	01 October 2019
University of Pretoria (UP)	Full Accreditation	08 October 2019

Table 52 shows a slight increase in the number of programmes accredited by the CBEP. However, the issue of non-accredited programmes at educational institutions needs address.

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

Red - Full Accreditation

Orange - Not Accredited

Blue - Provisional Accreditation

Black - Accreditation status not determined (information not provided)

Table 52: Institutions with Built Environment Programmes and their Accreditation Status

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of Johannesburg	National Diploma - (Building)	BCom and BCom (Hons)	National Diploma: Building	N/A	Diploma: Architectural Technology (Dip Arch)	N/A
	Bachelor of Technology - (Quantity Surveying)		Bachelor of Technology: Construction Management		BTech: Architectural Technology	
	Bachelor of Sciences in Quantity Surveying				BArch (Bachelor of Architecture)	
	Bachelor of Science (Hons) in Quantity Surveying				MTech: Architectural Technology (professional)	

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Walter Sisulu University	National Diploma - (Building) Bachelor of Technology - (Quantity Surveying)	N/A	N/A	N/A	N/A	<p>Butterworth Campus (Ibika Delivery Site)</p> <p>National Diploma: Engineering:</p> <ul style="list-style-type: none"> - Civil - Electrical - Mechanical <p>Buffalo City Campus College Street Delivery Site)</p> <p>National Diploma: Engineering:</p> <ul style="list-style-type: none"> - Civil - Electrical <p>Baccalaureus Technologiae Degree:</p> <ul style="list-style-type: none"> - Engineering: Civil (Transportation) - Engineering: Civil (Water) - Engineering: Electrical <p>Buffalo City Campus (Chiselhurst Delivery Site)</p> <p>National Diploma: Engineering: Mechanical</p> <p>Baccalaureus Technologiae Degree: Engineering: Mechanical</p>

INSTITUTION	SACQSP	SACPVP	SACPMP	SACLAP	SACAP	ECSA
Nelson Mandela University	<p>ND - (Building)</p> <p>Bachelor of Technology- (Quantity Surveying)</p> <p>Bachelor of Sciences in Quantity Surveying</p> <p>Bachelor of Science (Hons) in Quantity Surveying</p>	N/A	<p>BHSD National Diploma: Building</p> <p>Bachelor of Technology: Construction Management</p> <p>CM Baccalaureus Scientiae in Construction Studies – BSc (Construction Studies)</p> <p>Baccalaureus Scientiae in Construction Management – BSc (Hons) (Construction Management)</p> <p>Magister Scientiae in Built Environment:</p> <ul style="list-style-type: none"> - Construction Management Specialisation - Construction Health and Safety Management specialisation - Project Management specialisation 	N/A	<p>Bachelor of Architectural Studies (BAS)</p> <p>Master of Architecture (MArch)</p>	<p>National Diploma: Engineering: Civil</p> <p>Bachelor of Technology: Engineering: Civil</p> <ul style="list-style-type: none"> - (Transportation Engineering) - (Urban Engineering) <p>National Diploma: Engineering:</p> <ul style="list-style-type: none"> - Electrical - Industrial - Mechanical <p>Bachelor of Technology: Engineering:</p> <ul style="list-style-type: none"> - Electrical - Industrial - Mechanical <p>Bachelor of Engineering Technology in:</p> <ul style="list-style-type: none"> - Civil Engineering - Electrical Engineering - Industrial Engineering - Mechanical Engineering - Marine Engineering

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Tshwane University of Technology	ND -(Building) Bachelor of Technology - (Quantity Surveying)	N/A	National Diploma: Building Bachelor of Technology: Construction Management	N Dip Landscape Technology B Tech Landscape Technology	B Tech Architecture (Professional), renamed as the BArch from 2017 B Tech Architecture (Professional) with extended curriculum, renamed as the BArch (Ext) from 2018 onwards B Tech Architecture (Technology) M Tech Architecture (Professional), renamed as the MArch from 2018 onwards	Bachelor in Engineering Technology in - Civil Engineering - Mechanical Engineering - Mechatronics Engineering
Durban University of Technology	National Diploma - (Building) Bachelor of Technology - (Quantity Surveying) Bachelor of Sciences in Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying	N/A	National Diploma: Building Bachelor of Technology: Construction Management	N Dip (naming is unclear)	Diploma: Architectural Technology Bachelor of Architecture Architectural Technology (BArch)	National Diploma: Engineering: - Civil - Mechanical Bachelor of Technology: Engineering: Civil: - Construction Management - Transport - Urban - Water Bachelor of Technology: Engineering: Mechanical Bachelor of Engineering Technology in: - Power Engineering (420 credits) - Electronic Engineering (420 credits) - Industrial Engineering (420 credits) - Mechanical Engineering (420 credits) Diploma in Engineering Technology – Civil Engineering (280 credits)

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Cape Peninsula University of Technology	National Diploma -(Building) Bachelor of Technology -(Quantity Surveying)	National Diploma in Real Estate (Property Valuation)	National Diploma: Building Bachelor of Technology: Construction Management	B Tech Landscape Technology (1 year) NQF 7 (phasing out) ND Landscape Technology (3 years) NQF 6 (phasing out) Diploma in Landscape Architecture (NQF 6) Advanced Diploma in Landscape Construction Management (NQF 7)	Diploma: Architectural Technology Bachelor of Technology: Architectural Technology	Diploma in Engineering Technology in <ul style="list-style-type: none"> - Chemical Engineering - Civil Engineering - Industrial Engineering - Mechanical Engineering - Mechanical Engineering in Mechatronics
Mangosuthu University of Technology	National Diploma - (Building)	N/A	National Diploma Building	N/A	N/A	N/A
Central University of Technology	National Diploma - (Building) Bachelor of Technology - (Quantity Surveying)	N/A	National Diploma Bachelor of Technology: Construction Management	N/A	N/A	Diploma in Engineering Technology in Civil Engineering Bachelor of Engineering Technology in Civil Engineering Diploma in Engineering Technology in <ul style="list-style-type: none"> - Electrical Engineering - Mechanical Engineering Bachelor of Engineering Technology in Mechanical Engineering
Vaal University of Technology (Secunda Campus)	N/A	N/A	N/A	N/A	N/A	Diploma in Engineering Technology in <ul style="list-style-type: none"> - Chemical Engineering - Electrical Engineering - Diploma in Engineering in Industrial Engineering - Mechanical Engineering - Metallurgy Engineering

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of Cape Town	Bachelor Science in Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying	BSc together with BSc Hons Postgraduate Diploma in Property Studies MSc in Property Studies	Bachelor of Science: Construction Studies Bachelor of Science: (Hons) Construction Management	Masters Landscape Architecture Professional BLA Hons (1year) MLA (1 year)	Bachelor of Architectural Studies (BAS) Bachelor of Architectural Studies [BAS (Hons)] Master of Architecture (Professional) (M. Arch)	N/A
University of Free State	Bachelor of Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying	MPROP (Property Valuation)	Bachelor of Science: - Construction Management - (Hons) Construction Management Masters of Land and Property Management (MLPM)	N/A	Bachelor of Architectural Studies (BAS) Bachelor of Architectural Studies [BAS (Hons)] Master of Architecture (Professional) (M. Arch)	N/A
University of KwaZulu- Natal	Bachelor Science in Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying	N/A	N/A	N/A	Bachelor of Architectural Studies (BAS) Master of Architecture (MArch)	Bachelor of Science in Engineering - Civil Engineering - Electrical - Electronic - Mechanical - Computer Engineering - Chemical Engineering - Agricultural Engineering - in the Branch of Computer Engineering - in the Branch of Electrical Engineering - in the Branch of Electronic Engineering
University of Pretoria	Bachelor of Science in Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying	MSc in Real Estate BCom and B Com (Hons)	Bachelor of Science: - Construction Management - (Hons) Construction Management Master of Science in Project Management	BSc Landscape - Architecture - Architecture Honours Masters Landscape Architecture Professional	Bachelor of Architectural Sciences (BSc Arch) Bachelor of Architectural Science (Hons) [BSc Arch (Hons)] Master of Architecture (Professional) (March [Prof])	Bachelor of Engineering - Computer Engineering - Electrical Engineering - Electronic Engineering

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of Witwatersrand	Bachelor of Science in Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying	BSc (4 years) in Property Studies Postgraduate Diploma in Building and Property Management MSc in Building and Property Management	Bachelor of Science: - Construction Studies - (Hons) Construction Management Master of Science: Building in Construction Project Management	N/A	Bachelor of Architectural Studies (BAS) Bachelor of Architectural Studies [BAS (Hons)] Master of Architecture (Professional) (M. Arch)	Bachelor of Science in Engineering in the Branch of - Chemical Engineering - Civil Engineering - Electrical Engineering - Electrical Engineering, Information Engineering
University of South Africa	N/A	N/A	N/A	Diploma in Horticulture (NQF6) Advanced Diploma in Ornamental and Landscape Horticulture (NQF7) Postgraduate Diploma in Ornamental and Landscape Horticulture (NQF8) MSc Ornamental Horticulture (NQF9)	N/A	National Diploma: - Chemical Engineering (Environmental) - Civil - Electrical - Industrial - Mechanical - Mining Bachelor of Technology (BTECH) : - Chemical - Civil (Environmental, Structural, Urban, Water) - Industrial - Mechanical
North West University	N/A	N/A	N/A	N/A	N/A	Bachelor of Engineering - Electromechanical Engineering - Industrial Engineering
Namibian University of Science & Technology (NUST)	N/A	N/A	N/A	N/A	Bachelor of Architecture- Bachelor of Architecture (HONS)	N/A
Inscape	N/A	N/A	N/A	N/A	Higher Certificate: Architectural Technology	

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
School of Explorative Architecture (SEA)	N/A	N/A	N/A	N/A	Bachelor of Architectural Studies (BAS) Bachelor of Architectural Studies (HONS) March (Prof)	N/A
Arcia School of Architecture	N/A	N/A	N/A	N/A	Advanced Certificate in Architectural Technology	N/A
My Academy (also known as The Academic Institution of Excellence: AIE)	N/A	N/A	N/A	N/A	Higher Certificate in Architectural Technology Diploma in Architectural Technology	N/A
STADIO holdings	N/A	N/A	N/A	N/A	Higher Certificate in Architectural Practice	N/A

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

- (a) Resourcing the accreditation review panel; individuals operate their own practices and the number of willing volunteers is limited
- (b) Cost of accreditation to higher education institutions

SACAP highlighted that a number of colleges are offering architectural education which is not validated; graduates from these colleges encounter problems to register with SACAP. SACAP will undertake a programme to assist these colleges to have these programmes validated.

SACPCMP specified that there are no accredited Construction Health and Safety programmes in undergraduate programmes. Most applicants who come through for assessments have short courses in the Construction Health and Safety. The educational path is a serious challenge as it hinders students from registering with SACPCMP. The Construction Health and Safety Sub-Committee is yet to establish training opportunities and career paths available in the Health and Safety programme.

The University of KwaZulu-Natal (UKZN) is phasing out the BSc Property & Development degree. Hence, SACQSP's council resolved that students completing in 2019 would exit with a SACQSP accredited degree, whereas those qualifying post 2019 will exit with a non-accredited degree, if the university does not comply with the current accreditation conditions. UKZN did not meet the accreditation requirement in respect of full-time lecturers, which underpinned Council's decision.

5. 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 candidate professionals under the statutory-determined professional designations. Their recognition is based on a demonstration of competence against learning outcomes required for a National Qualifications Framework (NQF) aligned qualification. Applications received by the CBEP for RPL are summarised below:

SACAP

The RPL process involves the identification, documentation, assessment and recognition of prior learning (knowledge, skills, competencies and values acquired formally or informally). The RPL assessment, an outcome-based methodology, is undertaken in accordance with the SACAP 10 Professional Competencies, aligned to the relevant NQF as per the HEQSF. Each competency is broadly weighed to correlate with the credits in the curriculum of a typical accredited programme in architecture.

Only applicants who are registered professionals (not candidates) for the required minimum period stipulated in the matrix below are eligible to apply and be considered for the RPL process.

SACLAP

Recognition of Prior Learning (Annual Statistics)	Total
Number of professionals registered through RPL (from 1 April 2019 to 31 March 2020)	23
Number of people who applied for registration through RPL (LA/LM)	30
Number of RPL applications that had been rejected	0
Number of RPL applications that have been deferred	7

ECSA

Recognition of Prior Learning (Annual Statistics)	Total
Number of professional applicants registered through RPL	0
Percentage of registered professionals through RPL	0%
Number of potential registrations through RPL – Alternative Route (Education)	13
Number of RPL applications pending (Education)	0
Number of RPL applications rejected – no recognition (Education)	2

SACPVP

Recognition of Prior Learning (Annual Statistics)	Total
Number of candidates registered through RPL	2
Percentage of registered candidates through RPL	0,1%
Number of applications for registration through RPL	2
Number of RPL applications rejected	0

SACPCMP

Recognition of Prior Learning (Annual Statistics)	Total
Number of professionals registered through RPL	3
Percentage of Registered Professionals through RPL	0.3%
Number of people who paid to pursue registration through RPL	14
Number of RPL applications in process (11 in total - nine from previous financial years and two in the 2019/20 financial year)	11
Number of RPL applications rejected	1

Most RPL applicants experience difficulty in compiling the Portfolio of Evidence (PoE); hence SACPCMP intends to host RPL workshops to guide applicants in this area and to prepare for the oral assessment. The workshops will be a regular feature in their calendar of activities.

Incorporated in the Council's review of the Registration Policy is SACPCMP's review of the existing RPL policy, with the aim of having a two-tier toolkit for the professional and non-professional categories.

SACQSP

Recognition of Prior Learning (Annual Statistics)	Total
Number of candidates registered through RPL	1
Percentage of registered professionals through RPL	0%
Number of people who applied for registration through RPL	1
Number of RPL applications that had been rejected	0

The reasons for rejecting RPL applications were listed as follows:

- (1) Inadequate support from employers
- (2) Lack of clarity on knowledge areas covered
- (3) Lack of clarity on required registration competencies
- (4) Incomplete reporting and supporting documentation on experience as required through the toolkit
- (5) Incorrect perception that compiling the required Portfolio of Evidence is onerous, cumbersome and very demanding

6. 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 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 is ultimately 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" [section 22(1)]. The Acts empower the CBEP to determine conditions for the renewal of registration, and 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 ensures that:

- i. skills of professionals meet the highest standards
- ii. expertise of members develop and expand as markets and conditions change
- iii. the role and reputation of the professions are relevant and enhanced - both in South Africa and in the international Built Environment community
- iv. expertise of members is harnessed to inform public debate

Table 53: Percentage of Registered Professionals who Comply with CPD Requirements

CBEP	CBEP % of Registered Professionals who Comply with CPD Requirements
SACAP	38.87%
SACLAP	100%
ECSA	43.2%
SACPVP	78%
SACPCMP	84%
SACQSP	87%

(Source: CBEP Fourth Quarter Report 2019/20)

CPD Challenges

The following challenges were encountered by the CBEP during the 2019/20 financial year:

SACLAP

The CPD function is delegated to the Institute of Landscape Architects of South Africa (ILASA) who does not, in all instances, apply the points consistently to activities as per the policy. It is hoped that the matter will be addressed through further engagements with the current VA and the recognition of additional VAs.

ECSA

- i. The accessibility of the newly developed CPD online system - invitations are not activated, and there are delays in returning the One-Time Pin (OTP) code
- ii. Data not correctly transferred from the old to the new system - incorrect credit scores, notifications not distributed according to the process flow, inactive work flows etc.

SACPCMP

- i. Registered Persons do not submit their CPD files on an annual basis but at the end of their five-year cycle, making administrative work cumbersome to manually upload submissions
- ii. High administration workload; CPD verification is manual rather than on an ICT system
- iii. Registered Persons do not comply with CPD requirements (despite repeated reminders), resulting in a number of de-registrations
- iv. Complaints by Registered Persons on service providers' costs for courses and accessibility of venues
- v. Those equally registered with other CBEP find no compatibility due to different and varying CPD requirements
- vi. Service Providers (registered professionals) who submit CPD validations for assessment must be remunerated; this results in delays

7. 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.*

F

Councils for the Built Environment **Professions**

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

- i. 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
- ii. Needs of the South African community are served according to the highest professional standards
- iii. Assessment processes ensure applicants meet standards consistent with the standards applying to local applicants

The CBEP Fourth Quarter Report 2019/20 outlined the following regarding agreements:

SACAP

- (1) SACAP and Association of Residential Communities (ARC) have agreed to enter into a MoU
- (2) Internationally, SACAP signed a MoU with Canberra Accord

SACLAP

No new agreements were concluded.

ECSA

ECSA is a signatory to three accords:

- (1) Washington Accord
- (2) Sydney Accord
- (3) Dublin Accord

ECSA is also a member to three Competency Agreements:

- (1) International Professional Engineers Agreement (IPEA)
- (2) International Engineering Technologists Agreement (IETA)
- (3) Agreement for International Engineering Technicians (AIET)

SACPVP

SACPVP is a member of the International Valuation Standards Council that sets international valuation standards.

SACPVP intends to sign a MoU with Rand Water on training Plant and Equipment assessors/ valuers.

SACPVP continues to collaborate with the Office of the Valuer-General (OVG) on ensuring acceptable valuation methodology to establish just and equitable compensation as reflected in section 25 of the country's Constitution.

SACPVP has a MoU with the OVG that seeks to clarify the role of each whereby:

- SACPVP will remain a regulatory body for the valuers profession while the OVG will set procedural framework for valuations mainly for land reform and for those government departments and bodies that request valuations for acquisition or disposal of government property.

SACPCMP

The Council entered into formalised MoUs, the status of which are as follows:

- (1) Australian Institute of Buildings - signed in October 2019
- (2) Council for Higher Education - awaiting finalisation
- (3) Chartered Institute for Building (CIOB) - awaiting finalisation

SACQSP

No new agreements were concluded.

8. 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*
- (b) *(e) promote appropriate standards of health, safety and environmental protection within the built environment*

8.1 Improper Practice 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 Disciplinary Measures

The CBEP may take disciplinary action against any registered person who is thought to be in violation of any of the six Built Environment Professions Acts or who is thought to pose a danger to the public. Most complaints fall into the categories of “professional misconduct” or “unprofessional conduct”, and unsafe practice or illegal or unethical behaviour.

The nature of complaints/disciplinary cases related to:

- (a) improper conduct
- (b) failure of registered persons to perform professional services within reasonable time
- (c) competency /designs errors
- (d) non-compliance with the Code of Conduct
- (e) candidate working for their own account
- (f) rendering service as a professional, even when not registered
- (g) Registered Persons practicing while being suspended
- (h) misrepresentation

Duration of Disciplinary Matters

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

- (a) High cost of investigations and conducting disciplinary cases
- (b) Lack of legal resources within the CBEP, who are then forced to source this expertise externally
- (c) People passing themselves off as Registered Persons, and the Police are not effective in dealing with these matters
- (d) Non-disclosure / Insufficient information on the Complaint Affidavit
- (e) Lack of cooperation from third parties
- (f) Lack of clear outline on what steps a Registered Person must take before amending another Registered Person’s plans (client consent is not sufficient)
- (g) No committee member available for general advice

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 constitute penalties 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:

- (1) *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
- (2) *Citation*—the CBEP of the registered person imposes a fine or order of abatement in lieu of making a formal accusation
- (3) *Cease and desist order*—an order to stop a particular activity or else face further penalty
- (4) *Warning*—this can be accompanied by stipulations or specific requirements
- (5) Mandated continuing education
- (6) Fine or civil penalty
- (7) *Remediation*—an attempt to correct practice and promote safety; it may define terms for the license to be reinstated in good standing
- (8) Referral to an alternative-to-discipline programme
- (9) *Probation*— a period of time during which the Registered Person may/may not be permitted to practice. If permitted to practice during the period of probation, it is with terms and conditions or restrictions
- (10) *Suspension*—a period of time in which a Registered Person may not practice or hold him/herself out
- (11) 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 CBEP, according to the CBEP Fourth Quarter Report 2019/20:

SACAP

The 39 complaints received for the 2019/20 financial year are still in progress. The nature of the complaints were as follows:

- (a) Failure to perform work for a client within a reasonable time
- (b) Failure to adequately communicate with the client regarding architectural work undertaken
- (c) Failure to deliver as per the appointment
- (d) Failure to set out terms of appointment in writing prior to undertaking architectural work
- (e) Failure to display prescribed abbreviation on letterhead
- (f) Registered Persons practicing while being suspended
- (g) Practices not registered with SACAP while providing architectural services
- (h) Misrepresentation
- (i) Failure to obtain necessary consent when amending another Registered Person's plans ("copyright infringement")
- (j) Registered Persons undertake work out of their category of registration

SACLAP

One complaint was received and is still in progress.

ECSA

Fifteen new complaints were received relating to competency/design errors.

Twenty-nine pre-existing complaints were completed within the stipulated timeframe.

Forty-nine existing complaints are in progress.

SACPVP

Thirty-one complaints of improper conduct were received and their status is as follows:

- | | |
|-----------------|----|
| (a) Completed | 8 |
| (b) In progress | 23 |
| (c) Withdrawn | 0 |

Complaints still under investigation relate to:

- (a) under-valuation
- (b) over-valuations
- (c) fraud and dishonesty
- (d) conflict of interest
- (e) failure to maintain high standards
- (f) property not adequately inspected
- (g) valuation report plagiarised
- (h) not compliant with International Valuation Standards (IVS)
- (i) incorrect methodology used

SACPCMP

The three complaints received are still in progress. They are of improper conduct against a registered:

- (a) Candidate Construction Project Manager
- (b) Candidate Construction Health and Safety Agent
- (c) Professional Construction Health and Safety Agent

SACQSP

Eleven complaints were received - five have been referred to the Disciplinary Tribunal, two were closed, and six are under investigation. The nature of the complaints were as follows:

- (1) Candidates practising as directors in Quantity Surveying Practices.
- (2) Fraud and Dishonesty
- (3) Misrepresentation
- (4) Cheating on PSM Exams

Challenges

The biggest challenge faced by the council has been the setting up of the Disciplinary Tribunal to hear the matters that have been referred for hearing, however the tribunal has subsequently been assembled and is ready to attend to all matters.

The CBEP continuously face the challenge of finalising disciplinary cases within the stipulated time due to lack of resources, lack of cooperation from the third party and meeting non-attendance for committee members to take resolutions, resulting in delays.

9. Built Environment 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 to achieve appropriate standards of health and safety and environmental protection, as these lie with other Government line functions such as DoL's Construction Regulations, the Department of Environmental Affairs and of Trade and Industry (SABS – South African Bureau of Standards and NRCS - National Regulatory for Compulsory Specifications). This limits the role of the CBE to a facilitative one. However, a direct role for the CBE is in influencing the knowledge base of BEPs through the curricula of BE and CPD programmes to incorporate substantive health and safety and environmental sustainability knowledge to increase their competence in these areas. There were no incidents reported by any of the six CBEP.

10. Sustainable and Integrated Development

10.1 Identification of Work

The CBE is compelled by section 20(2) of the CBE Act to identify the scope of work for each category of registered persons – referred to as Identification of Work (IDoW). The scoping of the work is determined after consultation with the Competition Commission (CC) and in consultation with the six CBEP.

The objective of IDoW is to enhance the protection and safety of the public and the environment by ensuring that only persons registered in the relevant category of registration (and thus demonstrated the required competence and academic qualifications), perform work in the Built Environment or take responsibility for work so performed. The approach taken towards identification of work is to comply with the CBE's statutory duty to identify the scope of work for all categories of registration.

The CC rejected applications from the CBE on behalf of the CBEP to have identification of work exempted from the provisions of the Competition Act (Act 89 of 1998). This decision by the CC obliged the CBE and CBEP to reconsider the manner in which work was initially identified in the submitted exemption applications. A workshop, in the last quarter of the previous financial year, between the CBE, CBEP and DPW, produced an IDoW Action Plan, focussing on the CBE's statutory role and the CC's concerns. The CC's concerns were identified in its substantial reasons for rejecting one application, with an assurance that the reasons will be the same for all applications.

Discussions with the CC continued in the 2019/20 financial year, and it became evident that the CC is erroneously regarding the publication of the scopes of work for information as a continuation of the previous exemption application. As part of its engagement during the 2021/20 financial year, the CBE completed the following activities:

- (a) An explanatory note to put the identification of the scopes in context vis-à-vis the mechanisms to regulate the Built Environment Professions. The CBE's IDoW Policy (published in 2009) was revised which, read with the explanatory note, provides a blueprint for the implementation of regulatory mechanisms
- (b) The CBE developed a Monitoring and Evaluation Plan to note the CBEP' implementation goals and assess their actual implementation

In the 2020/21 financial year, the CBE will continue to engage with the Built Environment sector to address the issues of the CC and finalise IDoW.

10.2 Professional Fees

Section 4(k)(v) of the CBE Act empowers it to *ensure the consistent application of policy by the councils for the professions with regards to 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.*

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 Council for the Built Environment Act, 2000."*

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."*

At the beginning of 2013, the CBEP resolved not to publish professional fees, acting on the CC's advice that this was deemed anti-competitive behaviour. On this basis, an exemption application was submitted to the CC, which was rejected. This is expected to be the basis of an appeal headed by the CBE on behalf of the CBEP.

10.3 Voluntary Associations

In South Africa, a Voluntary Association (VA) is 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 Built Environment 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.

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Councils for the Built Environment **Professions**

VAs are an important constituent of the Built Environment professional milieu as a repository of profession-specific technical knowledge. They are 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:

- i. Provide a pool of practitioners to serve on professional councils' committees
- ii. Play the role of competency assessment (assessors) in the registration process
- iii. Provide a pool of mentors for candidate professionals
- iv. Serve as members of evaluation committees for programme accreditation at higher education institutions which offer Built Environment qualifications

Table 54: Number of Voluntary Associations Recognised by the CBEP

CBEP	Number of VAs Recognised	Number of VAs Not Recognised
SACAP	13	0
SACLAP	2	4
ECSA	51	0
SACPVP	3	0
SACPCMP	12	5
SACQSP	1	1

(Source: CBEP Fourth Quarter Report 2019/20)

Reasons for Non - Recognition of Voluntary Associations

- i. Do not meet the minimum requirements of the guidelines
- ii. Council is awaiting full compliance with the requirements for recognition



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