



ANNUAL REPORT 2020/2021

COUNCIL FOR THE BUILT ENVIRONMENT

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COUNCIL
FOR THE BUILT
ENVIRONMENT





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C O U N C I L
F O R T H E B U I L T
E N V I R O N M E N T



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PART A

GENERAL INFORMATION





1. General Information

REGISTERED NAME:	Council for the Built Environment
PHYSICAL ADDRESS:	Corobay Corner 2nd Floor Block A 169 Corobay Avenue Menlyn Pretoria
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TELEPHONE NUMBER/S:	+27 (0) 12 346 3985
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EMAIL:	registrar@cbe.org.za
WEBSITE:	www.cbe.org.za
EXTERNAL AUDITOR:	Nexia SAB&T Inc
BANKER:	Standard Bank
COMPANY SECRETARY:	Advocate Pieter Fourie This is an unfunded role, currently undertaken by the Manager: Regulations and Legal Services
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

AGSA	Auditor-General South Africa
APP	Annual Performance Plan
ALS	Accredited Learning Site
BE	Built Environment
BELF	Built Environment Legal Forum
BEP/s	Built Environment Profession/s
The CBE Act	Council for the Built Environment Act 43 of 2000
CBE	Council for the Built Environment
CBEP	Councils for the Built Environment Professions
CEO	Chief Executive Officer
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CHE	Council on Higher Education
COO	Chief Operations Officer
CIOB	Chartered Institute of Building
CPD	Continuing Professional Development
CRM	Central Registration Management
Council	CBE Council (the accounting authority of the organisation)
DPWI	Department of Public Works and Infrastructure
ERRP	Economic Reconstruction and Recovery Plan
EPWP	Expanded Public Works Programme
FIDPM	Framework for the Infrastructure Delivery and Procurement Management
4IR	Fourth Industrial Revolution
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IA	Internal Audit
ICT	Information Communications Technology
IDMS	Infrastructure Delivery Management System
IDoW	Identification of Work
ILO	International Labour Organization
IT	Information Technology
IoT	Internet of Things
IVSC	International Valuation Standards Council
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
MoA	Memorandum of Agreement
MPRA	Municipal Property Rates Act, 2004
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NDPIP	National Development Plan Implementation Plan
Nexia	Nexia SAB&T

OMA	O.M.A. Chartered Accountants Inc.
PFMA	Public Finance Management Act
PPC	Parliamentary Portfolio Committee
Rakoma	Rakoma and Associates Inc
RPL	Recognition of Prior Learning
SAASTA	South African Agency for Science and Technology
SCM	Supply Chain Management
SIPDM	Standard for Infrastructure Procurement and Delivery Management
TCC	Transformation Collaborative Committee
TMAP	Transformation Model and Action Plan
ToR	Terms of Reference
UKZN	University of KwaZulu-Natal
UoT	University of Technology
WSU	Walter Sisulu University
OVG	Office of the Valuer-General
VA	Voluntary Association

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.
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/Sub-Committees of Council

ARC	Audit and Risk Committee
AC	Appeals Committee
BEMC	Built Environment Matters Committee
EXCO	Executive Committee
FHLC	Finance, Human Resources and Legal Committee
ISC	IDoW Steering Committee
SMMCC	Stakeholder Management and Marketing Communications Committee

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

CBE Programmes

Programme 1	Administration
Programme 2	Transformation
Programme 3	Skills and Capacity Development
Programme 4	Research and Advisory
Programme 5	Regulation and Public Protection

1.2 Foreword by the Minister of Public Works and Infrastructure



Patricia de Lille

Minister of Public Works and
Infrastructure

I am pleased to present the Council for the Built Environment's (CBE) 2020/21 Annual Report, which complies with all statutory reporting requirements, notably section 40(1) of the Public Finance Management Act (PFMA), 1999, and paragraph 18 of the National Treasury Regulations.

Although, the 2020/21 financial year was a momentous one for the CBE as an Entity, it has continued to discharge its mandate encapsulated in the Council for the Built Environment Act, No. 43 of 2000. It is further pleasing that the CBE received another clean audit for the financial year under review, representing five consecutive years. This demonstrates the Entity's ability to uphold principles of clean administration, fiscal prudence, good governance, effective internal controls and commitment to accountability and transparency.

The Covid-19 pandemic created huge, unexpected challenges for us all. The 2020/21 year was one of great change and transformation. Challenges presented by the pandemic ignited a shift in the way we interact, live and conduct business. Additionally,

there was a transition from face-to-face operations to online engagement, while reshaping how we deliver our services and carry out our core activities changed. Within the context of these changes, the CBE needs to endeavour to draw lessons from the fundamental changes we have experienced as a country and to understand challenges faced by the Built Environment sector, promoting an effective, responsive regulatory environment to ever-changing needs.

During the 2020/21 financial year both the National Infrastructure Investment Plan and South Africa's Economic Reconstruction and Recovery Plan ("ERRP") were developed to fast-track the delivery of infrastructure that both resuscitates the economy, as well as addresses the triple challenge of unemployment, poverty and inequality. The CBE in collaboration with the Councils for the Built Environment Professions, will have a significant role to play in the implementation of the ERRP. Skills development is implicitly one of the identified enablers to ensure the successful implementation of the Plan, optimising a new regulatory environment, and structural reforms to boost the landscape.

Contribution to the Plan will primarily focus on concerted effort to build a skills base demanded by the changing economy and technological advancement, contributing to ease and cost of doing business whilst promoting opportunities for increased participation of previously disadvantaged groups. In pursuant of the CBE's five-year strategy, the focus will be on interventions with the potential to fast-track short-term skills development, contributing to amongst others, building a capable state, infrastructure rollout and public employment programmes.

I would like to express a special word of gratitude to the CBE Council for their unwavering support, leadership and guidance to the entity towards discharging its mandate which includes protecting and promoting the interests of the public as well as guiding the Built Environment Professions.

Within this context, the Council for the Built Environment ("CBE") Annual Report for the 2020/21 financial year is accordingly submitted.

P. de Lille.....

Ms Patricia de Lille (MP)

Minister of Public Works and Infrastructure

Building South Africa's Future



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



Dr Sitsabo Dlamini
Chairperson

The 2020/21 financial year was a challenging time both for the country and the entire world as the Covid-19 pandemic unleashed its might, resulting in the loss of millions of lives. Despite this calamity, the CBE was able to achieve 87.5% of its targets. The Council and staff adapted to new ways of doing business and in the process strengthened engagements with Built Environment role players. The newly established Transformation Collaborative Committees began to play a key role in connecting the CBE with industry players and have started addressing the fundamental challenges that have stifled transformation of the Built Environment sector for so long. A successful stakeholder engagement of note was with the Competition Commission South Africa which has enabled the Councils for the Built Environment Professions (CBEP) to develop their rules to implement the identification of work.

Governance and Oversight Responsibility

The Council, as the accounting authority of the CBE is required, in terms of the Public Finance Management Act (PFMA) to maintain adequate accounting records with Council responsible for the content and integrity of the financial statements and related information. An executive management team is in place to ensure this is achieved. All executive positions are filled. The CBE has maintained its clean audit status.

The Council and its Committees held their regular meetings to monitor the performance and financial matters of the CBE. The CBE Executive Committee (EXCO) convened regularly with the Presidents of the CBEP to discuss matters that required urgent attention such as the identification of work, publication of professional fee guidelines, transformation status and mitigating the impact of Covid-19 in the Built Environment sector. The Presidents Forum engaged several stakeholders, including National Treasury, on procurement policy matters and developed a working relationship with the Special Investigating Unit (SIU) to support them in cases relating to the Built Environment sector. The Minister of Public Works and Infrastructure and SIU invited the CBE to participate in the Infrastructure Build Anti-Corruption Forum, a partnership aimed at uprooting corruption in the Built Environment sector. This has been launched and will be fully functional in the 2021/22 financial year onwards.

The CBE will continue to collaborate with infrastructure departments, tertiary institutions, and industry to drive procurement, policy and legislative changes, socio-economic transformation, professional skills development, and programmes to increase women empowerment and gender equality in the Built Environment sector. Issues of unemployed Built Environment graduates and positioning professionals to participate in the roll out of national strategic infrastructure projects gazetted by government will continue to be a priority of the CBE. In line with its mandate, the CBE will support the work of the CBEP in promoting professional registration and regulating the work of Built Environment Professionals to protect the South African public.

Acknowledgement and Words of Appreciation

On behalf of the Council, I would like to thank our stakeholders for their continued support and partnership in some of the CBE's initiatives during the 2020/21 financial year. My appreciation goes to the Honourable Minister and Honourable Deputy Minister of Public Works and Infrastructure, the Public Works and Infrastructure Parliamentary Portfolio Committee and my fellow Council members who supported me with their counsel and valuable guidance throughout this period. 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 May 2021

1.4 Chief Executive Officer's Overview



Ms Priscilla Mdlalose
Chief Executive Officer

General Performance

The overall performance of the CBE against its annual targets for the 2020/21 financial year was 87, 5 % - this translated to the achievement of 14 out of 16 targets. A key highlight for the CBE was gazetting the identification of work (IDoW), critical to guide the six Councils for the Built Environment (CBEP) to develop their rules to enable them to regulate their registered Built Environment Professionals.

General Financial Review of the Reporting Period

The CBE had a budget of R58.704 million to execute its mandate in the 2020/21 financial year. The budget was reduced to R49.727 million due to Covid-19 pandemic. This budget originates from the following funding sources:

- (a) Transfer Grant from the National Department of Public Works and Infrastructure
- (b) Retained surplus from the 2019/20 financial year and other sources
- (c) Levies from the six CBEP

Due to the Covid-19 pandemic and the subsequent reprioritisation of funds, 12.06% of the CBE's income has been surrendered towards curbing the effect of the pandemic on the national economy. The CBE provided 100% levy relief to the CBEP for 2020/21 financial year.

The CBE budgeted to receive income to the value of R49.727 million for the year. The actual total income collected amounted to R52.099 million which resulted in a surplus of R2.372 million. The favourable variance was mainly due to:

- Accounting for assets which were replaced by the insurance
- Extra interest earned from the close managing of cash reserves.

Spending Trends

The CBE utilises the grant allocation to deliver on its planned projects in the Annual Performance Plan (APP), as well as on priority projects identified during the year. The budget expenditure for the year was R58.704 million which was reduced to R49.727 million. The actual financial performance of the CBE resulted in a deficit of R0.169 million for the year. The CBE's financial performance is outlined in detailed financial statements for the 2020/21 financial year in this report.

The actual expenditure incurred for the financial year amounted to R52.268 million, against the budget of R49.727 million. The net unfavourable variance of R2.541 million arose from the following:

- The revenue enhancement strategy and organisational design projects commenced in the current year. Due to delays in finalising these projects, they will only be finalised in the new financial year, which resulted in a saving
- 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 and a saving realised
- Saving on promotional items procured but not yet received

- An overspend on council remuneration arose from an emergency meeting scheduled to approve the amendment of the CBE budget as a result of the reprioritisation of budgets. Various other meetings were also scheduled to attend to the current investigation into a hotline tip off
- Prior year committed funds were utilised for training, radio and TV interviews, and computer expenses (i.e. Unemployment database, Electronic Built Environment System), which resulted in the actual expenditure exceeding the budgeted expenditure. These differences were offset against the savings highlighted above

Challenges

The annual target for Programme 1.2 was not achieved - the revised organisational design and structure was not approved by 31 March 2021 as per the timeline set in the financial year. The organisational structure was revised and designed by 31 March 2021; however, further engagements had to be factored in to ensure alignment with the CBE mandate and the proposed reconfiguration of the transformation agenda. The progress report on developing the revised organisational structure was presented to the relevant Council Committee, the Finance, Human Resources and Legal Committee (FHLC), on 23 February 2021. Thereafter, the proposed structure was discussed with the Council Executive Committee (EXCO) on 26 February 2021 and 5 March 2021. The CBE Executives and employee representatives engaged with Council's inputs on 15 March 2021. These inputs, including the Transformation function, have been incorporated and the proposed revised structure is ready for submission to the FHLC for its next sitting in May 2021.

The annual target for Programme 1.3 was not achieved. The Cloud Strategic Plan that includes the Internet of Things (IoT) and Fourth Industrial Revolution (4IR) Initiatives Roadmap was not completed and implemented by 31 March 2021. Activities undertaken towards this target were:

- (1) Prioritisation of Initiatives
- (2) Selected Initiatives
- (3) Approved Governance of Enterprise IT
- (4) Map and Redesign Workflows to standardise business processes for IT Projects
- (5) LAN upgrade to 100mbps

The Governance of Enterprise IT was approved in March 2021. The Map and Redesign Workflows to standardise business processes for Information Technology (IT) Projects and LAN upgrade to 100mbps initiatives were not implemented.

The Covid-19 pandemic imposed the following challenges and reprioritisation on the CBE's budget:

- i. A 12.06% budget reduction
- ii. 100% debt relief to the six CBEP
- iii. Savings on travel and catering
- iv. Virtual platforms replaced all contact meetings (internal and external) required to deliver the Annual Performance Plan (APP)
- v. Delayed procurement and operational processes

Requests for Rollover of Funds

National Treasury approved the CBE's request to retain and utilise the surplus funds of R2.001 million for various ICT upgrades during the 2020/21 financial year. A request for current year surpluses amounting to R2.728 million will be made to National Treasury.

Supply Chain Management

The procurement plan for 2020/21 financial was submitted as required by the prescripts.

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 entertained or considered during the reporting period.

Audit Report on Matters from the Previous Year

The external auditor expressed a clean audit opinion for 2019/20 financial year, with no irregular expenditure incurred. The CBE continues to work on good governance, sound financial management and maintaining a sound internal control environment. This is demonstrated by a clean audit outcome the CBE achieved for the fourth consecutive year. In view of the funding cuts necessitated by the Covid-19 pandemic, the CBE will continue to ensure that its limited and scarce resources are prudently, and best deployed towards achieving optimal value against its mandate. During the year under review, the CBE's audit findings matrix monitored and tracked the implementation of recommendations made by the external auditor and the internal auditors. The Audit and Risk Committee (ARC) recommended the matrix for approval. Management was committed to resolve all findings raised by both internal and external audits. The audits were monitored by executive management committee meetings and quarterly by the Audit Committee to ensure a continuous improvement in the control environment and to limit the risk of recurring findings to moderate.

Outlook/ Plans and Future Plans

The CBE will continue with its broad plans to become an effective and efficient custodian to protect the interests of the public in the Built Environment, while playing a key role in the implementation of transformation and skills development in the Built Environment.

Discontinued Activities/Activities to be Discontinued

Due to the Covid-19 pandemic, the CBE's transformation indaba was discontinued in its traditional format as operations during the 2020/21 financial year.

Events After the Reporting Date

The CBE's request for condonation of irregular expenditure was approved by National Treasury during May 2021.

Council considered a request from the Chief Executive Officer (CEO) on 4 May 2021 for early retirement. Although the CEO's fixed term contract expires in March 2022, her application for early retirement will be effective from 30 June 2021.

A resignation request was received from the Chief Operations Officer (COO) on 27 May 2021 whose employment contract will terminate on 30 June 2021. There were no other subsequent events that had an impact on the 2020/21 Audit Report or annual financial statement.

Economic Viability

During the year under review, the CBE continued to maintain its going concern status by displaying sustainable financial performance and a resilient balance sheet. A Government Grant and levies from the six CBEP, who depend solely on registration fees from their professionals, sustains the CBE.

Acknowledgement

I would like to thank the Minister and Deputy Minister of Public Works and Infrastructure, Council, and the executives for their support and leadership. None of the achievements of this past year would have been possible without them. I would like to thank the entire staff for their hard work, passion, and commitment towards fulfilling the CBE's mandate. I would also like to thank organised labour for their contribution to creating a stable work environment.



Priscilla Mdlalose
Chief Executive Officer
Date: 31 May 2021

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 Auditor-General.

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, which 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 2021.

Yours faithfully



Chief Executive Officer
Priscilla Mdlalose
Date: 31 May 2021



Chairperson: Council for the Built Environment
Dr Sitsabo Dlamini

1.6 Strategic Overview

1.6.1 Vision

An intelligent, inclusive, adaptive, and thriving Built Environment by 2035

Intelligent	Inclusive	Adaptive	Thriving
<ol style="list-style-type: none"> 1. Well informed 2. At the forefront of technology 3. Ahead of the “curve” 4. Future mind-set 5. Smart people 6. Globally competitive skills set 	<ol style="list-style-type: none"> 1. Accounts for and is representative of all social groups and economic sectors 	<ol style="list-style-type: none"> 1. Agile 2. Versatile 3. Quick to respond 	<ol style="list-style-type: none"> 1. Consistently successful 2. Economically viable 3. Socially beneficial

1.6.2 Mission

Lead, regulate, advise and coordinate professions and their councils to meet the National Built Environment and Transformation Future of the industry

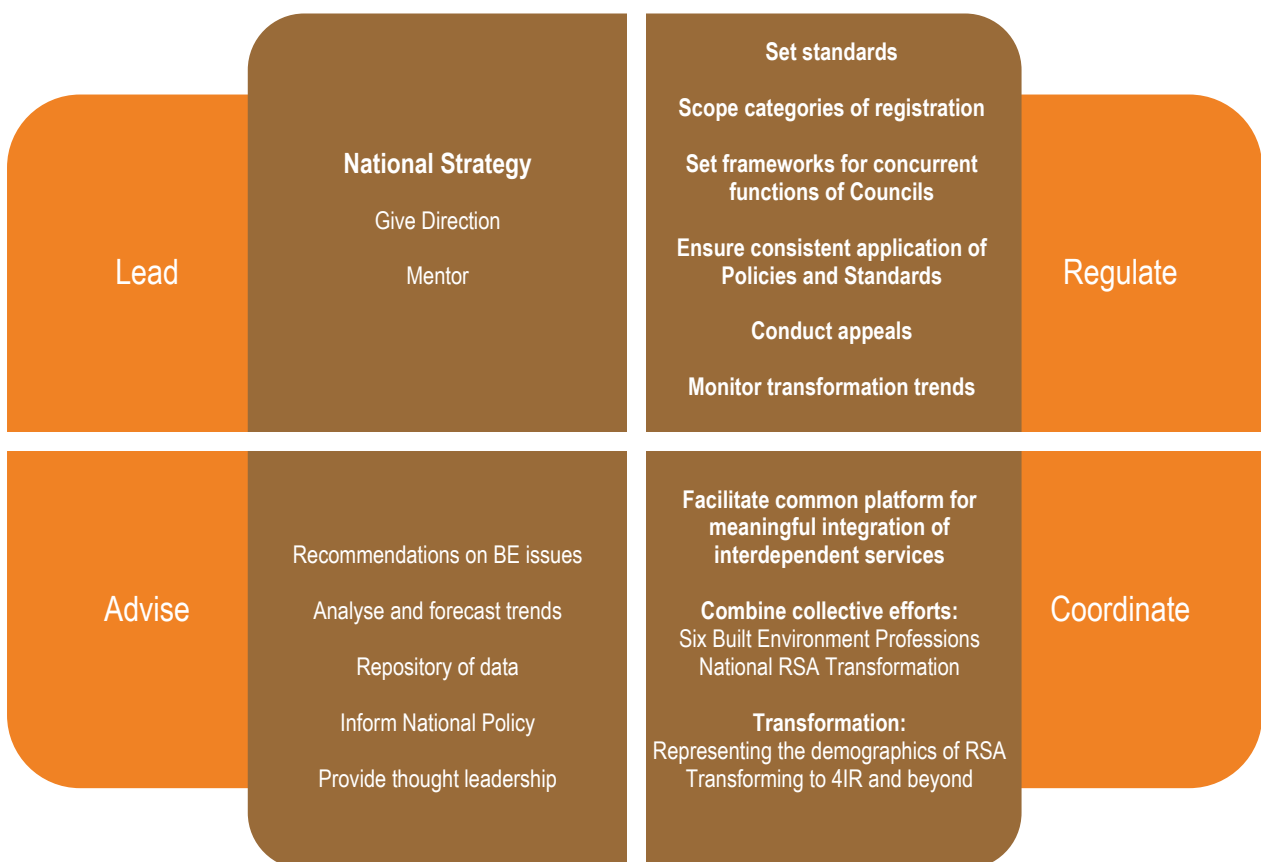


Figure 1: Underlying Principles of the Mission Statement

1.6.3 Values

Quality is non-negotiable
Professionalism in all that we do
Future orientated
All-round inclusiveness

1.6.4 Brand Promise

Building South Africa's Future

1.7 Legislative and Other Mandates

The Council for the Built Environment (CBE) is a Schedule 3A Public Entity as per the Public Finance Management Act (PFMA). The CBE is a statutory body in existence since the enactment of the Council for the Built Environment Act (No 43 of 2000) (The CBE Act) in 2000. It is an entity of the Department of Public Works and Infrastructure (DPWI). The CBE is responsible for regulating the following CBEP in South Africa - Architecture, Landscape Architecture, Engineering, Property Valuation, Project and Construction Management, and Quantity Surveying.

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

- (a) *promote and protect the interest of the public in the built environment;*
- (b) *promote and maintain a sustainable built environment and natural environment;*
- (c) *promote ongoing human resources development in the built environment;*
- (d) *facilitate participation by the built environment professions in integrated development in the context of national goals;*
- (e) *promote appropriate standards of health, safety and environmental protection within the built environment;*
- (f) *promote sound governance of the built environment professions;*
- (g) *promote liaison in the field of training in the Republic and elsewhere and to promote the standards of such training in the Republic;*
- (h) *serve as a forum where the built environment professions can discuss relevant—*
 - (i) *required qualifications;*
 - (ii) *standards of education;*
 - (iii) *training and competence;*
 - (iv) *promotion of professional status; and*
 - (v) *legislation impacting on the built environment; and*
- (i) *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:*

¹ Minister of Public Works and Infrastructure

- (i) accreditation;
- (ii) the registration of different categories of registered persons;
- (iii) key elements of competence testing of registered persons;
- (iv) codes of conduct to be prescribed by the councils for the professions;
- (v) the principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition;
- (vi) standards of health, safety and environmental protection within the built environment;
- (vii) the recognition of voluntary associations for the built environment professions, by approving the framework for that recognition submitted by the councils for the professions, taking due cognisance of the characteristics of each built environment profession;
- (l) investigate or initiate investigations into matters pertaining to its functions and policies with regard to the built environment and, if necessary, recommend legislation in this regard;
- (m) act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions;
- (n) in consultation with councils for the professions, obtain recognition for the councils for the professions as bodies responsible for the establishment of education and training standards in terms of the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995);
- (o) ensure the consistent application of policy throughout the built environment by encouraging coordination between the councils for the professions;
- (p) promote coordination between the Council on Higher Education and the councils for the professions in relation to the accreditation of education institutions;
- (q) liaise with the Competition Commission, established in terms of the Competition Act, 1998 (Act No. 89 of 1998), on behalf of the councils for the professions regarding the identification of work for the built environment professions;
- (r) review fees published by the councils for the professions to ensure the consistent application of the principles regarding such fees;
- (s) charge:
 - (i) membership fees in the prescribed manner from the councils for the professions, calculated pro rata to the number of persons registered with that council;
 - (ii) fees payable for appeals in terms of section 21; and
 - (iii) any other fee it considers necessary;
- (t) institute legal proceedings to recover all outstanding membership fees payable under this Act;
- (u) consider proposals from the councils for the professions with regard to the determination of policy contemplated in paragraph (k);
- (v) receive and assimilate the annual reports of the councils for the professions and submit a summary to the Minister;
- (w) purchase, hire or otherwise acquire or dispose of property, borrow money on the security of the assets of the council or accept and administer any trust or donation;
- (x) subject to this Act, approve standing orders for the regulation of its proceedings and of all other matters relating to the management, powers and duties of the council;
- (y) perform such functions as may be prescribed; and
- (z) generally, do all such things as the council deems necessary or expedient to achieve the objectives of this Act.

1.8 Legislative and Policy 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 Council for the Built Environment Act (No 43 of 2000) (the CBE Act), while also being mindful of the following legislations, regulations, policies and best practices guidelines to exercise good governance, ethical leadership and corporate citizenship. The CBE adopted a Compliance Policy and implements a compliance action plan for identified obligations with quarterly closure.

Table 1: Key Legislation and Best Practices

Short Title	Purpose
Republic of South Africa Constitution, Act 108 of 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, 68 of 2008	To promote a fair, accessible, and sustainable marketplace for consumer products and services and for that purpose to establish national norms and standards relating to consumer protection, to provide for improved standards of consumer information, to prohibit certain unfair marketing and business practices, to promote responsible consumer behaviour, to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements, to establish the National Consumer Commission and to provide for related incidental matters.
Construction Industry Development Board Act, 38 of 2000	To provide for the establishment of the Construction Industry Development Board; to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith.
Council for the Built Environment Act, 43 of 2000	To provide for the establishment of a juristic person to be known as the Council for the Built Environment; to provide for the composition, functions, powers, assets, rights, duties and financing of such a council; and to provide for matters connected therewith.
Architectural Profession Act, 44 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Architectural Profession; to provide for the registration of professionals, candidates and specified categories in the architectural profession; to provide for the regulation of the relationship between the South African Council for the Architectural Profession and the Council for the Built Environment; and to provide for matters connected therewith.
Landscape Architectural Professional Act 45 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Landscape Architectural Profession; to provide for the registration of professionals, candidates and specified categories in the landscape architectural profession; to provide for the regulation of the relationship between the South African Council for the Landscape Architectural Profession and the Council for the Built Environment; and to provide for matters connected therewith.
Engineering Profession Act of South Africa, 46 of 2000	To provide for the establishment of a juristic person to be known as the Engineering Council of South Africa; to provide for the registration of professionals, candidates and specified categories in the engineering profession; to provide for the regulation of the relationship between the Engineering Council of South Africa and the Council for the Built Environment; and to provide for matters connected therewith.

Short Title	Purpose
Property Valuers Profession Act, 47 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Property Valuers Profession; to provide for the registration of professionals, candidates and specified categories in the property valuation profession; to provide for the regulation of the relationship between the South African Council for the Property Valuers Profession and the Council for the Built Environment; and to provide for matters connected therewith.
Project and Construction Management Professions Act, 48 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Project and Construction Management Professions; to provide for the registration of professionals, candidates and specified categories in the project and construction management professions; to provide for the regulation of the relationship between the South African Council for the Project and Construction Management Professions and the Council for the Built Environment; and to provide for matters connected therewith.
Quantity Surveying Profession Act, 49 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Quantity Surveying Profession; to provide for the registration of professionals, candidates and specified categories in the quantity surveying profession; to provide for the regulation of the relationship between the South African Council for the Quantity Surveying Profession and the Council for the Built Environment; and to provide for matters connected therewith.
Public Finance Management Act, 1 of 1999	To regulate financial management in the national government; to ensure that all revenue, expenditure, assets and liabilities of that government are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in that government; and to provide for matters connected therewith.
Skills Development Act, 97 of 1998	To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.
Employment Equity Act, 55 of 1998	To provide for employment equity and to provide for matters incidental thereto.
Promotion of Administrative Justice Act, 3 of 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, 2 of 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.

Short Title	Purpose
Occupational Health and Safety Act, 85 of 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, issued regularly by National Treasury, are applicable to all public entities listed on Schedules 2, 3B and 3D.
National Archives of South Africa Act, 43 of 1996	To provide for a National Archives; the proper management and care of the records of governmental bodies; and the preservation and use of a national archival heritage; and to provide for matters connected therewith.
King IV Report™ on Corporate Governance for South Africa 2016	Ethical and effective leadership is at the heart of the King IV Report on Corporate Governance for South Africa (King IV™). The 17 basic principles are universally applicable to all organisations, and all are required to substantiate a claim that good governance is 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 Public Works and Infrastructure) and the Accounting Authority (the CBE Council) are accountable for the entity.

1.10 Organisational Structure

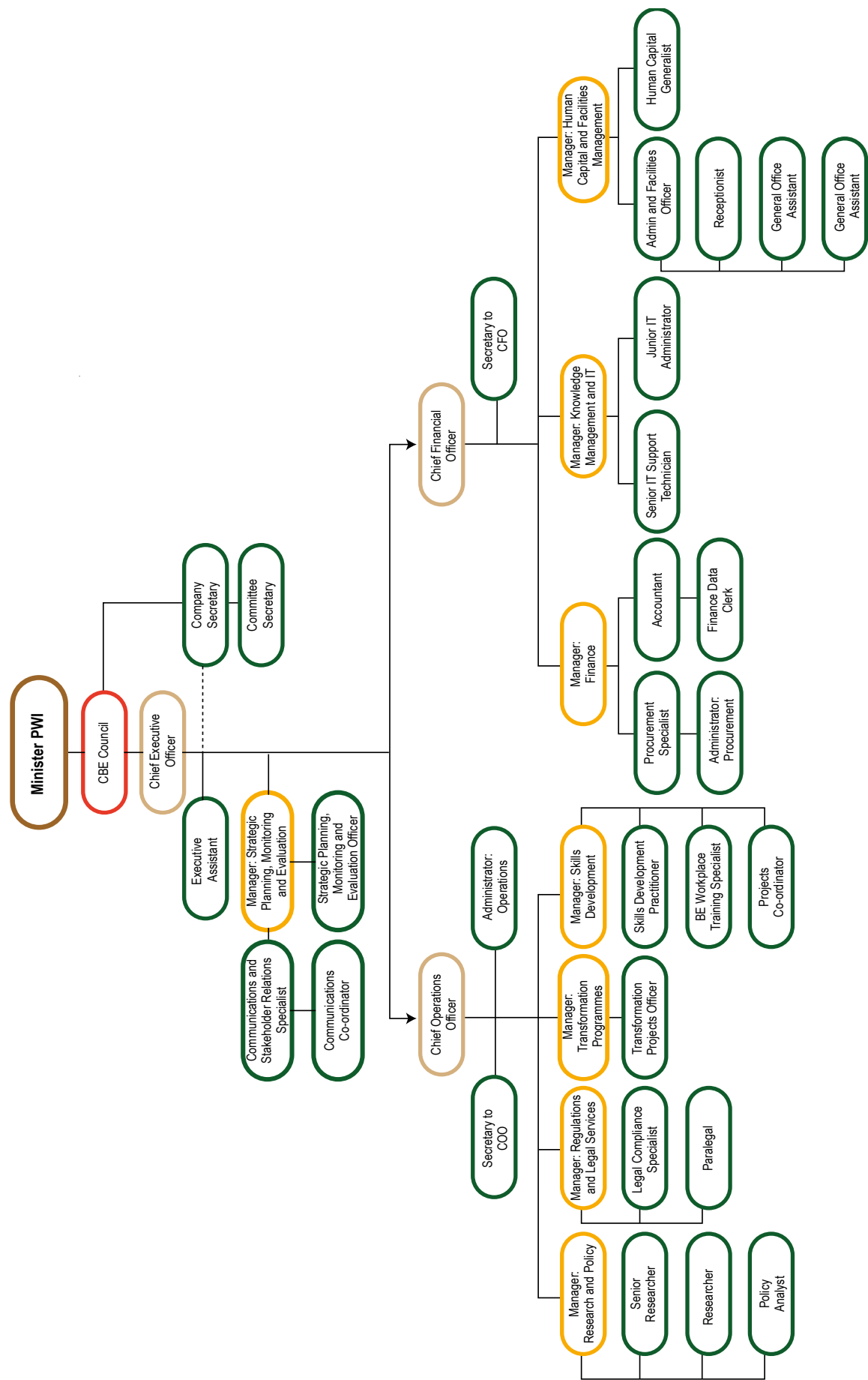


Figure 2: Organisational Structure

1.11 Stakeholder Engagement

The CBE relies heavily on its Stakeholder Engagement Strategy to execute its statutory mandate due to the following constraints:

- (i) No geographic footprint throughout South Africa
- (ii) Limited capacity

These constraints make it necessary for the CBE to collaborate and enlist stakeholder support to discharge its following role functions:

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

The CBE conducts its stakeholder engagements in accordance with a Stakeholder Management Plan and reports quarterly on it.

The CBE has grouped its stakeholders according to their role function in supporting the CBE:

- (1) Regulatory
- (2) Government Departments
- (3) Government Associations
- (4) Voluntary Associations
- (5) Tertiary Institutions Offering Built Environment Programmes
- (6) Funding Institutions
- (7) International Bodies
- (8) The Public
- (9) Media
- (10) Internal Stakeholders

Accountability and Compliance

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 its regulatory stakeholders, as detailed in the following table for the 2020/21 financial year:

Table 2: Regulatory Stakeholder Engagements

Regulatory Entity	Number of Engagements
Public Works Parliamentary Portfolio Committee	2
Public Works and Infrastructure Ministry	6
Ministerial Committees - MinMec, MinTop and Technical MinMEC	3
Department of Public Works and Infrastructure	9
National Treasury	6
Auditor-General South Africa	1
Auditors (Internal)	4
Auditors (External)	7

Executing the CBE Statutory Mandate

The following table captures the CBE's engagements with stakeholders to discharge its statutory mandate during the period under review. The CBE was established through the CBE Act to exercise oversight over the six CBEP. It has since added on two professional councils that also fall under the ambit of the Built Environment fraternity in South Africa. These councils are:

- (i) South African Council of Planners (SACPLAN)
- (ii) South African Geomatics Council (SAGC)

Table 3: Stakeholder Engagements to Execute the CBE Statutory Mandate

Stakeholder	Number of Engagements
CBEP (Registrars)	8
CBEP (Presidents)	4
Competition Commission	3
South African Qualifications Authority (SAQA)	1

Programme Implementation and Information Dissemination in a Covid-19 Environment

Programme implementation for the year under review took place completely under lock down conditions since the national lockdown was imposed with effect from 26 March 2020.

Two defining features of the Covid-19 lockdown viz. restrictions on face-to-face interaction and travel restrictions moulded the CBE's Stakeholder Relations during the 2020/21 financial year. However, this adversity presented opportunities for the CBE to explore innovative and out-of-the-box ways to nurture and sustain stakeholder relations. Some evident trends and positive outcomes from a stakeholder engagement overview during this challenging time are documented below, while they are detailed further under their relevant Programmes in this report.

There was a substantially greater cross-pollination of stakeholder relations to support the work of operational units, with departments often working with common stakeholders.

The CBE's annual Transformation Indaba which was hitherto a highlight on its calendar evolved into sector collaboration segments, which is demonstrating to be more focused, deliberate and purposeful in delivering the objectives of the CBE's Transformation strategy. Twenty-two collaborative engagements, including an online National Stakeholder Engagement, delivered the CBE's objectives towards mobilising transformation in the Built Environment.

A fully operational Research Hub entrenched the CBE as a thought leader in the BE sector, invariably widening the CBE's circle of stakeholders and influence. Forty-three research initiatives now reside in this Research Hub, available for use by the public.

The Built Environment Legal Forum (BELF) was constituted with relevant and associated stakeholders; it is well on track in setting up the Desk of the BE Ombudsman to entrench the CBE's public protection mandate.

The CBE reached out to school learners in all corners of South Africa by participating in 22 career awareness initiatives across all nine provinces. It is important to expose school learners to BE career information to sustain the BE skills pipeline, as well as to address transformational issues of attracting previously marginalised groups into the BE sector.

As the world becomes increasingly reliant on technology to conduct business during Covid-19, the CBE's IT systems and infrastructure finds more innovative ways to share and streamline common operational areas with the CBEP, and open avenues of communication with stakeholders e.g. online surveys.

The role of the media cannot be downplayed especially during something as historic as the Covid-19 pandemic. The CBE utilised this opportunity to factor in government's response to the Covid-19 pandemic in its regular engagement with the media. There were nine media engagements on national radio and television platforms collectively to raise the profile of the CBE. The CBE also utilised its social media platforms more actively to communicate with stakeholders, the public and potential service providers.

These are some achievements, among others, that highlight the role of stakeholder engagement in the CBE's mandate execution and programme implementation. The section on Performance Information by Programme in this report details stakeholder engagement specifics in each programme.

PART B

PERFORMANCE INFORMATION





2. Performance Information

2.1 External Auditor's Report: Predetermined Objectives

The external auditor, 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 144 of the Auditors Report, published as Part E: Financial Information.

2.2 Situational Analysis

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 and lend valuable support to development initiatives of Government through, among others:

- (a) providing structured advice on development proposals and policy issues
- (b) mobilising expertise for implementing development projects from the public 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

Service Delivery Environment

According to the *policy document on the statutory regulation of the Built Environment Professions (1999)*, professional expertise in the country is a national asset and should be managed as a scarce resource of high value. This expertise is a resource that is renewable, but also subject to degradation if standards are allowed to decline and/or interest in entering the professions as a career is not promoted. The intrinsic value of the professions lies in their essential role and function in socio-economic development. While socio-economic development and the improvement of the quality of life in South Africa enjoys priority attention, professional expertise needs to be nurtured, professional standards need to be maintained and professional services need to be within reach of all communities. To develop a profession and keep it healthy, the profession must be regulated from within, as well as by government. Government has the duty to protect the public, while self-regulation by the professions ensures quality and development within the professions. Government is of the opinion that in the Built Environment, self-regulation by the professions manifests itself in voluntary associations and institutes. Government involves itself by recognising the competence levels set by the professions and protecting the public interest by legislation.

The CBE's performance is measured against its Key Performance Indicators (KPIs). The overall performance of the CBE against its annual targets for the 2020/21 financial year was 87,5% (translated as 14 of 16 targets achieved).

Organisational Environment

The organisation discharges its mandate in alignment with the objectives of the DPWI, its line department. Moreover, the organisation actively engages with the public and has fostered long-standing relationships with infrastructure departments, CBEP and members of the public.

Advancing Transformation: Transformation of the built environment system continues to be a national priority. To this end, the CBE has developed a Transformation Strategy to guide its contribution to transformation of the built environment system.

The Transformation strategy focuses on:

- guiding the CBEP towards achieving transformational goals aligned to that of the country
- equity profiles of the South African Built Environment workforce

The CBE gazetted the identification of work (IDoW), critical to guide the six CBEP to develop their rules to enable them to regulate their registered Built Environment Professionals.

The KPI targets not achieved are outlined below.

The annual target for Programme 1.2 was not achieved - the revised organisational design and structure was not approved by 31 March 2021. Council was yet to approve the revised structure at the close of this reporting period. The progress report on developing the revised organisational structure was presented to FHLC on 23 February 2021. Thereafter, the proposed structure was discussed with EXCO on 26 February 2021 and 5 March 2021. The CBE Executives and employee representatives engaged with Council's inputs on 15 March 2021. These inputs, including the Transformation function, have been incorporated and the proposed revised structure is ready for submission to the FHLC for its next sitting in May 2021.

The annual target for Programme 1.3 was not achieved. The Cloud Strategic Plan that includes the IoT and 4IR Initiatives Roadmap was not completed and implemented by 31 March 2021. Activities undertaken towards this target were:

- (1) Prioritisation of Initiatives
- (2) Selected Initiatives
- (3) Approved Governance of Enterprise IT
- (4) Map and Redesign Workflows to standardise business processes for IT Projects
- (5) LAN upgrade to 100mbps

The Governance of Enterprise IT was approved in March 2021. The Map and Redesign Workflows to standardise business processes for IT Projects and LAN upgrade to 100mbps initiatives were not implemented.

The Highlights for the Year Under Review were:

- (a) High-level and sub business processes for the organisation were developed and approved by 31 March 2021
- (b) The CBE exceeded the annual target for Programme 1.4 by undertaking nine (9) marketing communication activities to raise the profile of the CBE during the 2020/21 financial year. There was a positive variance of five marketing communication activities
- (c) The draft broad based long-term Transformation Strategy for the Built Environment for Programme 2.1 was developed and approved
- (d) Twenty-two (22) sector collaboration forums and one national stakeholder workshop (online) for Programme 2.2 was held by 31 March 2021. There was a positive variance of six collaborative engagements and one national stakeholder workshop

- (e) The advisory throughput report on the Built Environment skills pipeline (supply and demand) for Programme 3.1 was developed and approved
- (f) In Programme 3.2, fifteen workplaces were monitored and evaluated in implementing the Structured Candidacy Programme by 31 March 2021
- (g) In Programme 3.3, twenty-two (22) Built Environment career initiatives were conducted for school learners in Gauteng, Limpopo, Western Cape, KwaZulu-Natal, North West, Eastern Cape, Mpumalanga, Northern Cape, and Free State during the 2020/21 financial year. There was a positive variance of ten Built Environment career initiatives
- (h) The oversight report on the CBEP accreditation of Built Environment academic programmes and institutions for Programme 3.4 was developed and approved
- (i) The final draft CBE Research Agenda for Programme 4.1 was developed and approved
- (j) In Programme 4.2, the Built Environment Research Hub was established and is functional with 43 research outputs covering four research themes uploaded on this platform during the 2020/21 financial year
- (k) In Programme 4.3, two Built Environment advisory reports were developed and submitted to the Minister of DPWI by 31 March 2021 on:
 - Skills Requirements and Institutionalisation of the Framework for the Infrastructure Delivery and Procurement Management (FIDPM)
 - Implications of the Fourth Industrial Revolution (4IR) on the Expanded Public Works Programme (EPWP)
- (l) Hundred percent of the recommended Built Environment Legislative Updates action plan was implemented in Programme 5.1
- (m) In Programme 5.2, hundred percent of lodged appeals were finalised within the statutory 60 days from the date of lodgement. A total of nine appeals were finalised in the 2020/21 financial year
- (n) One Corporate Governance assessment of six CBEP on compliance with the provisions of the adopted Governance Framework was developed for Programme 5.3

Challenges Faced by the CBE

The Covid-19 pandemic imposed the following challenges and reprioritisation on the CBE's budget:

- (i) A 12.06% budget reduction
- (ii) 100% debt relief to the six CBEP
- (iii) Savings on travel and catering
- (iv) Virtual platforms replaced all contact meetings (internal and external) required to deliver the APP
- (v) Delayed procurement and operational processes

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 Outcomes and Impact Statements

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 1: Optimum Functioning CBE

Strategic Outcome 1	Optimum Functioning CBE
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 1: Administration
NDP Five Year Priority	Priority 6: A capable, Ethical and Developmental State
NDP Five-Year implementation Plan Outcome	Ethical, efficient operations and effective accountability mechanisms

Table 5: Strategic Outcome 2: Transformed Built Environment

Strategic Outcome 4	Transformed Built Environment
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 2: Transformation
NDP Five Year Priority	Priority 1: Economic Transformation and Job Creation
NDP Five-Year implementation Plan Outcome	Increased ownership and participation by historically disadvantaged individuals

Table 6: Strategic Outcome 3: Skilled Built Environment Professionals

Strategic Outcome 3	Skilled Built Environment Professionals
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 3: Skills and Capacity Development
NDP Five Year Priority	Priority 1: Economic Transformation and Job Creation Priority 2: Education, Skills and Health
NDP Five-Year implementation Plan Outcome	Improved education, training, and innovation Improved employability of youth through skills training

Table 7: Strategic Outcome 4: Informed Decision-making which Impacts the Current and Future Operational Requirements of the Industry

Strategic Outcome 4	Informed decision-making which impacts the current and future operational requirements of the industry
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 4: Research and Advisory
NDP Five Year Priority	Priority 6: A capable, Ethical and Developmental State
NDP Five-Year implementation Plan Outcome	Ethical, efficient operations and effective accountability mechanisms

Table 8: Strategic Outcome 5: Public Interest in the Built Environment Promoted and Protected

Strategic Outcome 5	Public interest in the Built Environment promoted and protected
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 5: Regulation and Public Protection
NDP Five Year Priority	Priority 6: A capable, Ethical and Developmental State
NDP Five-Year implementation Plan Outcome	Ethical, efficient operations and effective accountability mechanisms

2.4 Institutional Programme Performance Information

The strategic direction is implemented through five budget Programmes that enable organisation-wide coordination and consolidation of steering, monitoring and control of execution and achievements against commitments. The CBE's five Programmes are as follows:

- Programme 1: Administration
- Programme 2: Transformation
- Programme 3: Skills and Capacity Development
- Programme 4: Research and Advisory
- Programme 5: Regulation and Public Protection

Alignment to DPWI Outcomes and National Development Plan (NDP) Priorities

The Department of Planning, Monitoring and Evaluation has outlined Priorities to drive the planning and implementation of strategic plans over the 2020/21-2024/25 National Development Plan (NDP Five-Year Implementation Plan [NDPIP]) period. During this Medium-Term Strategic Framework (MTSF) period, the CBE will have contributed to and reported on the following Outcomes:

Table 9: Alignment with DPWI, NDP Priorities and NDPIP Outcomes

NDP Priorities	NDPIP Outcomes	DPWI Outcomes	CBE Outcomes	Objective of CBE Act
		 public works & infrastructure Department: Public Works and Infrastructure REPUBLIC OF SOUTH AFRICA		
Priority 6: A capable, ethical and developmental state	Ethical, efficient operations and effective accountability mechanisms	A Resilient, Ethical and Capable DPWI	Optimum Functioning Council	
Priority 1: Economic transformation and job creation	Increased ownership and participation by historically disadvantaged individuals	Transformed Built Environment	Transformed Built Environment	3(d) facilitate participation by the built environment professions in integrated development in the context of national goals 3(f) promote sound governance of the built environment professions; (3h) serve as a forum where the built environment professions can discuss relevant issues
Priority 2: Education, skills and health	Improved education, training and innovation Improved employability of youth through skills training	Transformed Built Environment	Skilled Built Environment	3(c) promote ongoing human resources development in the built environment 3(g) promote liaison in the field of training in the Republic and elsewhere and to promote the standards of such training in the Republic

NDP Priorities	NDPIP Outcomes	DPWI Outcomes	CBE Outcomes	Objective of CBE Act
Priority 6: A capable, ethical and developmental state	Ethical, efficient operations and effective accountability mechanisms	A Resilient, Ethical and Capable DPWI	Informed decision-making which impacts the current and future operational requirements of the industry	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;
Priority 6: A capable, ethical and developmental state	Ethical, efficient operations and effective accountability mechanisms	A Resilient, Ethical and Capable DPWI	Public interest in the Built Environment promoted and protected	3(a) promote and protect the interest of the public in the built environment; 3(b) promote and maintain a sustainable built environment and natural environment 3(e) promote appropriate standards of health, safety and environmental protection within the built environment 3(i) ensure the uniform application of norms and guidelines set by the councils for the professions throughout the built environment

2.4.1 Programme 1: Administration

Purpose: To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the Built Environment.

Key Sub Programmes

The Administration Programme is organised to carry out its work according to the following sub programmes:

- (i) Human Capital and Facilities Management
- (ii) Information and Communication Technology
- (iii) Marketing and Communications
- (iv) Finance

Programme 1 provides the organisation with enabling governance structures, strategy and planning capacity, and shared services supported by fit-for-purpose business and information systems, policies, and procedures and Marketing and Communications and financial support services. In addition, the Programme provides strategic analysis and systems intelligence. Programme 1 contributes towards Priority 6: A Capable, Ethical and Developmental State.

On building a capable State, the NDP emphasises the importance of building institutional capacity in South Africa, particularly in the public sector. It devotes a chapter on building a capable and developmental State, underlining the importance of good management, a commitment to high performance, an uncompromising focus on ethics, and continuous learning. The emphasis is on an efficient, effective, and development-oriented public service and an empowered, fair, and inclusive citizenship. According to the NDP, a developmental State needs to be capable, but a capable State does not materialise by decree, nor can it be legislated or waived into existence by declarations. It has to be built, brick by brick, institution by institution, and sustained and rejuvenated over time. It requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems, and consistent and fair application of rules. A capable State (chapter 13), with functioning, well-run utilities, departments, and municipalities, will help ensure efficient regulation.

The 2019-24 MTSF emphasises the importance of modernising business processes in the public sector to ensure effective and efficient service provisioning to our people. Over the midterm, the CBE will review its business processes and IT to ensure that these are effective and efficient to support the Built Environment sector. A capable state requires effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services, while prioritising people in the achievement of the nation's developmental objectives. This vision requires a state that has the capacity to formulate and implement policies that serve national interest and address the root causes of poverty and inequality.

The CBE will have sustained and improved its good governance practices and systems, evident by clean audits for the past three financial years, complemented by effective accountability practices. The CBE will finalise the business process mapping and re-engineering initiative to remove operational bottlenecks, streamline systems and processes and design optimised, efficient and effective delivery platforms with a view to enhance accountability, value for money and improved stewardship of resources.

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

*2.4.1.1 High-level and sub business processes developed and approved by 31 March 2021. – **Achieved***

The objective of the project is to ensure that the CBE is in the best shape to achieve goals set out in the Strategic Plan.

This target aims to achieve effective, efficient, and quality service delivery. The CBE works continuously on staff development and strengthening its internal processes through an improved planning framework, efficient systems, and relevant programmes. Furthermore, it will strive to achieve an excellent organisational culture through avenues such as a change management strategy, to support a competitive working environment.

The annual target was achieved. High-level and sub business processes for the organisation were developed and approved by 31 March 2021.

*2.4.1.2 Revise organisational design and structure by 31 March 2021. – **Not Achieved***

In actioning this target, the CBE will finalise the business process mapping and re-engineering initiative to remove operational bottlenecks, streamline systems and processes, and optimise design with efficient and effective delivery platforms to enhance:

- (a) accountability
- (b) value for money
- (c) improved stewardship of resources

The annual target was not achieved, as Council was yet to approve the revised structure at the close of this reporting period. The organisational structure was revised and designed by 31 March 2021. The progress report was submitted and presented to FHLC on 23 February 2021. The proposed structure was discussed with EXCO on 26 February 2021 and again on 5 March 2021. Inputs were discussed in a meeting with the CBE Executives and employee representatives on 15 March 2021. Inputs, including the Transformation function, have been incorporated and the proposed revised structure is ready for submission to the next FHLC meeting sitting of May 2021.

*2.4.1.3 Cloud Strategic Plan that include IoT and 4IR initiatives Roadmap completed and implemented by 31 March 2021. – **Not Achieved***

This target is to enable the CBE to meet its organisational strategic goals through technological platforms and solutions, while also ensuring that the organisation aligns to 4IR and IoT changes across industries and around the world.

Business modernisation is a key strategic intent with the outcome that an organisation is resilient, efficient, and innovative where information science is a prime mover of an end-to-end pro-user system. This will be achieved through:

- (a) innovating and modernising current manual business processes
- (b) establishing sustainable enterprise architecture capability as the basis for Information Communications Technology (ICT) strategic plan development
- (c) developing, implementing, and monitoring ICT corporate governance and improving the overall ICT control environment to mitigate risks
- (d) implementing knowledge management capability for the organisation to institutionalise knowledge sharing, and to harvest and harness innovation, idea generation and corporate thinking power

The annual target was not achieved. The Cloud Strategic Plan that includes the IoT and 4IR Initiatives Roadmap was not completed and implemented by 31 March 2021. Activities undertaken towards the target were as follows:

- (1) Prioritisation for Initiatives
- (2) Selected Initiatives
- (3) Approved Governance of Enterprise IT
- (4) Map and Redesign Workflows to standardise business processes for IT Projects
- (5) LAN upgrade to 100mbps

The Governance of Enterprise IT was approved in March 2021. The Map and Redesign Workflows to standardise business processes for IT Projects and LAN upgrade to 100mbps initiatives were not implemented. The outstanding initiatives will be completed in the first quarter of the 2021/22 financial year.

2.4.1.4 Four marketing communication activities to raise the profile of the CBE by 31 March 2021. – Achieved

The CBE's aim is to improve public awareness and recognition of the crucial role of Built Environment Professionals everywhere in the country. Raising awareness of the role and contribution of Built Environment Professionals through the media, social media and public events will help excite and inspire potential Built Environment Professionals and keep citizens informed. Improving stakeholder relations and engagement is a crucial strategic objective.

The annual target was achieved. A total of nine (9) marketing communication activities were undertaken to raise the profile of the CBE during the 2020/21 financial year. There was a positive variance of five (5) marketing communication activities. Mass media channels were identified as relevant platforms for the marketing communication activities. The following media mass media platforms were utilised for the CBE brand awareness campaign:

- (i) Ukhozi FM is a South African national radio station and owned by SABC, based in Durban, KwaZulu-Natal that caters to the needs of the Zulu-speaking community. Founded in 1960, it is the largest radio station in South Africa and Africa. Symbolically, Ukhozi means “eagle” in isiZulu
- (ii) eNCA is South Africa's most watched TV news channel. As South Africa's only online 24-hour news channel, it attracts a quality audience of 1.7 million
- (iii) Radio 2000 - The listeners are part of the rainbow nation driving social cohesion. The latest Stats on Radio 2000 were:
 - Audio Streaming Radio 2000 Xtra with over 200 000 unique listeners.
 - >84 356 Facebook likes
 - >66 616 followers on Twitter
- (iv) Thobela FM is a national radio station in the SABC stable, with its footprint in Limpopo, Gauteng, Mpumalanga, and North West. Recording a listenership of over 3 million in South Africa and abroad, its purpose is to provide programming that informs, educates, and entertains. Thobela FM's differentiating factor is that it is the only authentic Northern Sotho Broadcaster (public/commercial) service provider that broadcasts in all Northern Sotho dialects
- (v) Newzroom Afrika is a premier South African 24-hour TV news channel. The Newzroom Afrika channel is innovative and offers an interactive multimedia service. It has the reputation for credible and authoritative news. The programme that the CBE targeted viz. AM Report is known to be packed with the latest insights on the biggest news stories, hard-hitting studio interviews and sport, weather, and traffic updates. With a viewership of approximately 2 727 823, Newzroom Afrika reaches approximately 12.37% of the South African news-watching audience

- (vi) SAfm is a national, English-language public radio station in South Africa. It is operated by the South African Broadcasting Corporation since its foundation in 1936. SAfm was the SABC's first radio station, and the country's first public radio station. The station is dubbed as "South Africa's News and Information Leader"

The positive variance of five marketing communication activities were an outcome of the relationship building endeavours with the media platforms concerned. These activities did not deviate from the CBE's allocated budget to the annual target.

Table 10: Media Interviews

DATE	MEDIA	CHANNEL/STATION	CBE REPRESENTATIVE	TOPIC
14 May 2020	TV	eNCA	Priscilla Mdlalose (CEO)	Profiling the CBE and its response to the Covid-19 pandemic
16 May 2020	TV	eNCA	Dr Sitsabo Dlamini (Council Chairperson)	Profiling the CBE and the impact of Covid-19 on the Built Environment sector, and the economy of the country
5 June 2020	Radio	Radio 2000	Maphefo Mogodi (Council Deputy Chairperson)	Profiling the CBE and the impact of Covid-19 on the Built Environment sector
06 August 2020	Radio	Thobela FM	Maphefo Mogodi (Council Deputy Chairperson)	The talking points were: i. Profile of the CBE ii. Govt's infrastructure plans to address Covid-19 iii. The role of the CBEP and importance of professional registration
18 September 2020	TV	Newzroom Afrika	Priscilla Mdlalose (CEO)	The talking points were: i. Profile of the CBE ii. Govt's infrastructure plans to address Covid-19 iii. The role of women in the sector
18 September 2020	TV	eNCA	Priscilla Mdlalose (CEO)	The talking points were: i. Profile of the CBE ii. Govt's infrastructure plans to address Covid-19 iii. The role of women in the sector

DATE	MEDIA	CHANNEL/STATION	CBE REPRESENTATIVE	TOPIC
20 November 2020	Radio	SAFM	Dr Sitsabo Dlamini (Council Chairperson)	The talking points were: i. Profile of the CBE ii. Govt's infrastructure plans to address Covid-19 iii. The role of the CBEP and importance of professional registration
07 December 2020	TV	eNCA	Mokgema Mongane (COO)	The talking points were: i. Profile of the CBE ii. The role of women in the sector iii. Oversight of the six CBEP
08 March 2021	Radio	Ukhozi FM	Ms Priscilla Mdlalose (CEO)	Talking points were: i. Profile of the CBE ii. Mandate of the CBE Act iii. Govt's infrastructure plans to address Covid-19 iv. Role of women in the BE sector

2.4.1.5 Percentage increase of income generated – **No Target.**

The draft revenue enhancement strategy was tabled at the FHLC meeting on 23 February 2021 for further input. The revised revenue enhancement strategy will be tabled at the FHLC meeting in May 2021, subject to recommendation to Council.

Table 11: Programme 1: Objectives/Purpose, Planned Targets and Actual Achievements

PROGRAMME 1: ADMINISTRATION						
Objectives/Purpose	Overall Audited Actual Performance 2018/19	Overall Audited Actual Performance 2019/20	Planned Annual Targets 2020/21	Overall Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
Ensuring that the CBE is in the best shape to achieve goals set out in the Strategic Plan	N/A	N/A	Four	Two	Two targets were not achieved Project not yet approved due to a delayed start	The target was not achieved, due to the structure not yet approved by Council The proposed revised structure was presented twice to EXCO and the Union during the fourth quarter. The structure will be re-submitted to FHLC during the 1st quarter of the 2021/22 financial year
					Governance of Enterprise IT was approved, however the Map and Redesign Workflows to standardise business processes for IT Projects and LAN upgrade to 100mbps initiatives were not implemented The outstanding initiatives will be completed in the first quarter of the 2021/22 financial year	The target was not achieved as two of the selected initiatives were not implemented by the end of the 2020/21 financial year
Promoting awareness about the CBE and its functions to all relevant stakeholders					A positive variance of five (5) marketing communication activities was achieved	The positive variance of five marketing communication activities were an outcome of the relationship building endeavours with the media platforms concerned. These activities did not deviate from the CBE's allocated budget to the annual target
To provide effective and efficient financial and supply chain management services						

Table 12: Programme 1: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

SUB – PROGRAMME: HUMAN CAPITAL AND ICT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
Optimum Functioning CBE	CBE's High-level and sub business processes revised	1.1 High-level and sub business processes developed and approved	N/A	N/A	High-level and sub business processes developed and approved by 31 March 2021	Achieved High-level and sub business processes developed and approved by 31 March 2021	N/A	N/A
	CBE's organisational design revised	1.2 Approved CBE's organisational design and structure	N/A	N/A	Revise organisational design and structure by 31 March 2021	Not Achieved Revised organisational design and structure not approved by 31 March 2021	Revised organisational design and structure not yet approved by Council due to a delayed project start	The target was not achieved, due to a delayed project start, which subsequently delayed the approval of the structure by Council. The proposed revised structure was presented twice to EXCO and the Union during the fourth quarter. The structure will be resubmitted to FHLC during the 1st quarter of the 2021/22 financial year

SUB – PROGRAMME: HUMAN CAPITAL AND ICT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
	Cloud Strategic Plan that include IoT and 4IR Initiatives Roadmap completed and implemented	1.3 Approved Cloud Strategic Plan that include IoT and 4IR Initiatives Roadmap ²	N/A	N/A	Cloud strategic Plan that include IoT and 4IR Initiatives Roadmap completed and implemented by 31 March 2021	Not Achieved Cloud Strategic Plan that include IoT and 4IR Initiatives Roadmap not completed and implemented by 31 March 2021	Governance of Enterprise IT was approved, however the Map and Redesign Workflows to standardise business processes for IT Projects and LAN upgrade to 100mbps initiatives were not implemented	The target was not achieved, because two of the selected initiatives were not implemented by the end of the 2020/21 financial year The outstanding initiatives will be completed in the first quarter of the 2021/22 financial year

² This is a new output indicator, applicable for the implementation of the 2020/21-2024/25 Strategic Plan and 2020/21 APP. This indicator was not applicable in the previous financial years (2018/19 and 2019/20).

SUB -PROGRAMME: COMMUNICATIONS, MARKETING AND STAKEHOLDER MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
Optimum Functioning CBE	CBE Brand Awareness Campaign	1.4 Number of marketing communication activities to raise the profile of the CBE ³	N/A	N/A	Four marketing communication activities to raise the profile of the CBE by 31 March 2021	Achieved Nine (9) marketing communication activities to raise the profile of the CBE by 31 March 2021	A positive variance of five (5) marketing communication activities was achieved	The positive variance of five marketing communication activities were an outcome of the relationship building endeavours with the media platforms concerned. These activities did not deviate from the CBE's allocated budget to the annual target

³ This is a new output indicator, applicable for the implementation of the 2020/21-2024/25 Strategic Plan and 2020/21 APP. This indicator was not applicable in the previous financial years (2018/19 and 2019/20).

SUB -PROGRAMME: FINANCE								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
Optimum Functioning CBE	Effective Revenue/Income generation	1.5 Percentage increase of income generated ⁴	N/A	N/A	N/A	N/A	N/A	N/A

Table 13: Programme 1: Linking Performance with Budget

Programme /Activity/ Objective	2020/21			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
1.1 High-level and sub business processes developed and approved	-	-	-	-	-	-
1.2 Approved CBE's organisational design and structure	395	102	293	-	-	-
1.3 Approved Cloud Strategic Plan that includes IoT and 4IR Initiatives Roadmap	-	-	-	-	-	-
1.4 Number of marketing communication activities to raise the profile of the CBE	168	-	168	-	-	-
1.5 Percentage increase of income generation	211	190	21	-	-	-

⁴ This is a new output indicator, applicable for the implementation of the 2020/21-2024/25 Strategic Plan and 2020/21 APP. This indicator was not applicable in the previous financial years (2018/19 and 2019/20).

2.4.2 Programme 2: Transformation

Programme 2 contributes to Priority 1: Economic Transformation and Job Creation. The overall objective of the CBE's Transformation unit is to become the sector-coordinating arm of the CBE. Specifically, the transformation programmes aim to:

- (i) generate focus and synergy in facilitating the development of a unified Transformation Agenda for the Built Environment sector of South Africa
- (ii) promote collaboration in driving the Transformation agenda of the Built Environment sector of South Africa
- (iii) participate actively in joint initiatives, conferences and platforms that advances Transformation in the sector
- (iv) coordinate efforts in transforming the Built Environment through various initiatives and actions
- (v) support/coordinate efforts to unblock the skills-pipeline and ensure a sustainable supply of aptly skilled and quality individuals to meet future demands
- (vi) establish and facilitate partnerships and working relationships, local and international and across private and public sectors to drive Transformation initiatives
- (vii) provide expert guidance, consultation, and services to support internal change management initiatives and organisational development

For the 2020/21 APP, Programme 2 had two annual targets. Both the annual targets were achieved:

2.4.2.1 Draft broad based long-term Transformation Strategy for the Built Environment by 31 March 2021. – **Achieved**

A key priority intervention to fast-paced Transformation of the Built environment was to develop a coordinated broad-based long term recommended social and economic Transformation Strategy for the Built Environment professions (BEPs) i.e. a Transformation Model and Action Plan (TMAP) to guide the BEPs towards achieving the transformational goals of the country. This draft strategy was developed based on a review of previous transformation programmes both within CBE and those implemented by the respective CBEP, key findings from the 2018 CBE study on transformation strategies in South Africa and numerous consultations with key stakeholders, specifically the registrars of the various CBEP.

The annual target was achieved. The Draft Broad Based Long-Term Transformation Strategy for the Built Environment was developed, refined, and submitted to the Chief Executive Officer (CEO) and Council committee, the Built Environment Matters Committee (BEMC) at its meeting on 25 February 2021. The draft strategy was adopted and BEMC resolved that it should be workshoped with the Transformation Collaborative Committees (TCCs) and some BEMC members to integrate and align it with the procedures and the deliverables of the TCCs. The strategy will be recommended to Council for implementation.

2.4.2.2 16 Sector Collaboration Forums held by 31 March 2021. - **Achieved**

The aim of sector coordination is to allow for more integrated, joined-up conversation and coherent responses timeously to inform government policy. 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. The 2020/21 financial year formal sector engagements were held as follows:

Table 14: Transformation Formal Sector Engagements

No	Date	Stakeholder Engagement
1	2 June 2020	Women Empowerment and Gender Equality TransCom
2	4 June 2020	Occupation Specific Dispensation TransCom
3	17 June 2020	Procurement Policy and Legislation TransCom
4	17 June 2020	TransCom Chairpersons Forum
5	19 June 2020	DPWI Gender Unit
6	25 June 2020	National Treasury
7	21 September 2020	Occupation Specific Dispensation TransCom
8	21 September 2020	Procurement Policy and Legislation TransCom
9	21 September 2020	Skills Development TransCom
10	21 September 2020	Health and Safety TransCom
11	26 November 2020	Universal Access and Universal Design
12	4 November 2020	South African Council for the Landscape Architectural Profession (SACLAP): TMAP (Draft Strategy)
13	12 November 2020	Young Engineers South Africa
14	17 November 2020	South African Council for the Property Valuers Profession (SACPVP): TMAP (Draft Strategy)
15	19 November 2020	Agorafrica Quantity Surveyors
16	19 November 2020	Green Building Council South Africa
17	8 December 2020	Transformation Committee Meeting
18	11 February 2021	Procurement Policy and Legislation (PPL) TransCom
19	12 February 2021	Health Safety and Public Protection TCC inception meeting
20	17 February 2021	TCC Chairpersons and the Built Environment Professions Skills and Capacity Development (BEPSCD) TCC
21	18 February 2021	Transformation Committee (TransCom)
22	4 March 2021	National Stakeholder Engagement (Annual online event)

Changes in APP Target

The CBE's fourth National Transformation Indaba was intended to take place during the third quarter of the 2020/21 financial year. In light of the Covid-19 pandemic, its social distancing measures and associated restrictions, it was decided to discontinue the Transformation Indaba in its current, traditional format.

Table 15: Programme 2: Objectives/Purpose, Planned Targets and Actual Achievements

PROGRAMME 2: TRANSFORMATION						
Objectives/Purpose	Overall Audited Actual Performance 2018/19	Overall Audited Actual Performance 2019/20	Planned Annual Targets 2020/21	Overall Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
Ensuring that the CBE is in the best shape to achieve goals set out in the Strategic Plan	One	One	Two	Two	All the targets were achieved	
Providing platforms for the sharing of knowledge and the establishment of partnerships					A positive variance of six (6) collaboration Forums and One National Stakeholder workshop was achieved	A national stakeholder's forum was required by Council to, among others, engage the sector on Covid-19 implications and share updates on the TCC progress. More requests were received than planned. These activities did not deviate from the CBE's allocated budget to the annual target

Table 16: Programme 2: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

SUB – PROGRAMME: TRANSFORMED BUILT ENVIRONMENT						
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21
Transformed Built Environment	Transformation aligned Policy and process reviews and recommendations	2.1 Approved Built Environment Transformation Strategy ⁵	N/A	N/A	Draft broad based long-term Transformation Strategy for the Built Environment by 31 March 2021	Achieved Draft broad based long-term Transformation Strategy for the Built Environment developed by 31 March 2021
						Deviation from Planned Target to Actual Achievement for 2020/21
						N/A
						N/A

⁵ This is a new output indicator, applicable for the implementation of the 2020/21-2024/25 Strategic Plan and 2020/21 APP. This indicator was not applicable in the previous financial years (2018/19 and 2019/20).

SUB - PROGRAMME – BROAD BASED SECTOR COORDINATION AND ENGAGEMENT PLATFORMS FOR THE BUILT ENVIRONMENT									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations	Reasons for Revisions to the Outputs / Output indicators / Annual Targets
Transformed Built Environment	16 quarterly sector collaboration engagements hosted by 31 March 2021	2.2 Number of sector collaborations on Transformation in the Built Environment	Achieved One Annual Transformation Indaba hosted and reported on to DPW by 31 March 2019	Achieved 12 Collaborative engagements and one Built Environment Indaba hosted by 31 March 2020	16 Sector Collaboration Forums held by 31 March 2021	Achieved Twenty-two (22) Sector Collaboration Forums and One National Stakeholder workshop (online) held by 31 March 2021	There was a positive variance of six (6) collaboration Forums and One National Stakeholder workshop	A national stakeholder's forum was required by council to, among others, engage the sector on Covid-19 implications and share updates on the TCC progress. More requests were received than planned. These activities did not deviate from the CBE's allocated budget to the annual target	The CBEs 4th National Transformation Indaba was intended to take place during the 3rd quarter of the 2020/21 financial year. In light of the current Covid-19 pandemic and the associated social distancing measures and restrictions imposed it has been decided that the Transformation Indaba can no longer continue in its current form

Table 17: Programme 2: Linking Performance with Budget

Programme /Activity/ Objective	2020/21				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
2.1 Approved Built Environment Transformation Strategy	49	49	-		-	-	-
2.2 Number of sector collaborations on Transformation in the Built Environment	-	-	-		1 064	741	323

2.4.3 Programme 3: Skills and Capacity Development

This Programme is responding to section 3 of the CBE Act to:

- (c) promote ongoing human resource development in the built environment;*
- (g) promote liaison in the built environment in the field of training, both in the Republic and elsewhere, and to promote the standards of such training in the Republic;*

Programme 3 contributes to Priority 2 (Education, Skills and Health) through the following initiatives:

- (a) Throughput report on the Built Environment skills pipeline (supply and demand)
- (b) Monitoring and evaluation of workplaces on the implementation of the Structured Candidacy Framework
- (c) Career awareness initiatives for the Built Environment

The NDP prioritises building a capable State, which will play a developmental and transformative role in improving the quality of education, skills development, and innovation to raise employment opportunities through faster economic growth. The lack of skilled people in the infrastructure sector across the Republic of South Africa represents a major liability. This skills gap needs to be addressed - to find more skilled people, as well as to better use existing resources. This acutely affects small municipalities as they often lack Built Environment Professionals in the infrastructure field.

Infrastructure development needs a capable workforce to deliver lasting transformational change. For the Built Environment to be sustainable, and deliver on its targets, there is a need to ensure that the appropriate skills base is in place. This will require the CBE to support building capacity in the STEM (science, technology, engineering, mathematics) areas and thus create a pipeline for students to develop the high-tech skills needed to meet national demand in the Built Environment sector.

The CBE aims to provide leadership and coordination on all skills development issues in the Built Environment and will work with industry and Government skills bodies to ensure that capability and capacity issues in construction are addressed in a strategic manner.

The CBE will contribute to Priority 2: Education, Skills and Health. Over the medium-term, the CBE will facilitate the coordination of an enabling Built Environment skills pipeline from school to professional level through initiatives such as the development of an advisory report on the skills pipeline trends in the Built Environment relative to South Africa's NDP infrastructure needs. The advisory report will have three elements: demand side analysis; supply side analysis and identification of key labour and skills gap challenges to develop requirements for key skills, relevant training and interventions.

For the 2020/21 APP, Programme 3 had four annual targets. The targets performed as follows:

*2.4.3.1 Approved advisory throughput report on the Built Environment skills pipeline (supply and demand) by 31 March 2021. – **Achieved***

The CBE endeavours to uncover the key causes of labour and skills gap challenges by conducting an advisory study that will highlight and explain the skills shortage through the skills pipeline. The study attempted to document bottlenecks from school to post- professional level and recommendations on improving and developing requirements for key skills training and interventions.

The aim of this programme is to develop an advisory report on skills pipeline trends in the Built Environment, relative to South Africa's NDP infrastructure needs based on these objectives to:

- (i) analyse and document current and future skills demand, including scarce and critical Built Environment skills
- (ii) study skills imbalances and mismatches in the Built Environment sector
- (iii) analyse statistics on high school graduates applying for tertiary qualifications in the Built Environment Professions (including successful and unsuccessful applications) in the past five-year period
- (iv) analyse statistics on the throughput rates of Built Environment graduates by the traditional universities and universities of technology (UoT)
- (v) understand bottlenecks/challenges in the delivery system from school level to university, and future remedial actions and recommendations
- (vi) understand bottlenecks in the delivery system from candidacy and professional levels, and future remedial actions and recommendations
- (vii) document Built Environment Skills policy directives, planning responses and recommendations/interventions for future implementation

The annual target was achieved. The advisory throughput report on the Built Environment skills pipeline (supply and demand) was developed and approved by 31 March 2021.

The following recommendations are based on the report for implementation:

- (i) BE careers are advocated and popularised at primary and high school levels so that students can select them as careers of choice
- (ii) The CBE should have a role model campaign where registered professionals can motivate students to consider careers in the BE sector
- (iii) The CBE should consider maths and physical science programme for students who are interested in pursuing BE qualifications. This will ensure that the students will achieve good grades which will increase their chances of being admitted in their universities of choice
- (iv) BE Olympiads and competitions for both primary and secondary school learners which will allow students to understand the BE sector and career opportunities therein while they are still at school
- (v) The CBE should start a bursary fund for students who want to pursue qualifications in BE and to support those who are already at university to ensure these students do not drop out due to financial challenges
- (vi) The CBE should negotiate with public and private sector for internship opportunities, so that upon completion of their qualifications graduates are placed in organisations that will provide them with the required mentorship, work-based skills and experience
- (vii) The CBE candidacy programme should be rolled out on a large scale to cater for greater number of candidates. This will ensure that candidates progress, within the shortest possible period, to become professionals
- (viii) A research study to determine the number of years candidates spend on the candidacy programme, and identify reasons for candidates not progressing and registering as they should

*2.4.3.2 Fifteen workplaces monitored and evaluated in implementing the Structured Candidacy Programme by 31 March 2021. – **Achieved***

The introduction of the Standard for Infrastructure Procurement and Delivery Management (SIPDM) by National Treasury requires that only professionally registered Built Environment employees make decisions on public infrastructure project management to proceed to the next stage. It takes unacceptably long periods for candidates in the public sector to become professionally registered, hence the CBE developed the Structured Candidacy Framework as an instrument to ensure that Built Environment candidates achieve their maximum professional development and professional registration in the shortest possible time.

This programme focuses on introducing the Structured Candidacy Programme to workplaces and assessing their readiness to implement it. It also identifies similar candidacy programmes in the Built Environment sector for reporting.

The annual target was achieved. Fifteen workplaces were monitored and evaluated in implementing the Structured Candidacy Programme by 31 March 2021.

Table 18: Structured Candidacy

Organisation	Date of Engagement
1. Sivist (SA) PTY LTD	7 September 2020
2. ST Nubian Architects	17 September 2020
3. NW DPWR	15 September 2020
4. Umnini Quantity Surveyors	28 September 2020
5. Optimal Engineering	29 September 2020
6. SACQSP	5 October 2020
7. Project Metrics	20 October 2020
8. Colab Concepts	21 October 2020
9. Msunduzi Municipality	11 November 2020
10. Limpopo DPWR	20 November 2020
11. CCNI Architects (Pty) Ltd	17 February 2021
12. Kevin Gadd Architects	18 February 2021
13. Gallagher Lourens Architects	18 February 2021
14. Archilab	19 February 2021
15. KZN DPW	9 March 2021

*2.4.3.3 Twelve Built Environment career awareness initiatives conducted for school learners across nine provinces by 31 March 2021. – **Achieved***

Career Awareness initiatives is a campaign to provide information on the scarcity of Built Environment Professionals. The aim is to empower learners at school level to make more informed decisions about their future career paths and to steer them towards viable work experience opportunities in the Built Environment. Recent statistics show that the Built Environment Professions are still largely dominated by specific demographics at registered professional level. Built Environment career awareness and advocacy is one of the tools adopted as a long-term intervention to address transformation in the sector.

The annual target was achieved. Twenty-two (22) Built Environment career initiatives were conducted for school learners in Gauteng, Limpopo, Western Cape, KwaZulu-Natal, North West, Eastern Cape, Mpumalanga, Northern Cape, and Free State during the 2020/21 financial year. There was a positive variance of 10 career initiatives.

Table 19: Career Awareness Initiatives

Province	Number of Sessions	District	School	Date
Gauteng	1	Johannesburg North	LEAP 4: Diepsloot Science and Maths School	11 June 2020
Limpopo	2	Sekhukhune East	LEAP 5: Jane Furse Science and Maths School	16 June 2020
Gauteng	3	Tshwane East	LEAP 6: Ga-Rankuwa Science and Maths School	19 June 2020
Western Cape	4	Cape Town Metro Central	LEAP 1: Langa Science and Maths School	25 June 2020
			LEAP 2: Philippi Science and Maths School	26 June 2020
Gauteng	5	Johannesburg East	LEAP 3: Alexandra Science and Maths School	30 June 2020
KwaZulu-Natal	6	Umkhanyakude	Makhasa High School	1 September 2020
Mpumalanga	7	Gert Sibande	Takheni Secondary School	29 August 2020
	8		Highveld Secondary School	4 September 2020
North West	9	Ngaka Modiri Molema	Tetlano Secondary School	8 September 2020
			Boitseanape Technical High School	9 September 2020
Eastern Cape	10	Alfred Nzo East	Winnie Mandela Comprehensive Technical High School	15 September 2020
			Cangci Comprehensive Technical High School	16 September 2020
Northern Cape	11	Jan Kempdorp	Tlhwahlang High School	2 November 2020
			Vaalharts Combined School	3 November 2020
		Kimberley	Floors North Primary School	4 November 2020
			Progress Primary School	5 November 2020
Free State	12	Bloemfontein	CommTech Comprehensive School	26 February 2021
	13		Bainsvlei Combined Schools	26 February 2021
Western Cape	14	Langa	Langa LEAP 1 Science and Maths School	3 March 2021
	15	Philippi	Philippi LEAP 2 Science and Maths School	4 March 2021
KwaZulu-Natal	16	Durban	Anton Lembede MST School	10/11 March 2021

The Covid-19 lockdown restrictions brought challenges for career awareness as schools prioritised academic lessons. The CBE is currently negotiating a Memorandum of Understanding with the South African Agency for Science and Technology (SAASTA) which will assist to widen the catchment area of other schools and SAASTA organised career events in South African provinces.

2.4.3.4 Approved oversight report on the CBEP accreditation of Built Environment academic programmes and institutions by 31 March 2021. – **Achieved**

Section 4(k)(i) of the CBE Act empowers the CBE to ensure the consistent application of policy by the councils for the professions with regard to accreditation. The Higher Education Quality Committee (HEQC) framework for programme accreditation (2004) recognises the responsibilities of statutory councils for professional education, particularly with regard to license 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:

- (a) Ensure that built environment programmes conform to the requirements of the Higher Education Quality Sub framework (HEQSF)
- (b) Elucidate the principles that should underpin the accreditation of built environment programmes by professional councils
- (c) Define the key minimum criteria to be met by built environment programmes
- (d) Give effect to requirement of the CBE Act to ensure consistency in the application of policy on accreditation within the BEPC

The annual target was achieved. The oversight report on the CBEP accreditation of Built Environment academic programmes and institutions was developed. Due to Covid-19 restrictions on travel, gatherings, and physical distancing, the CBEP could not undertake accreditation visits to universities. Plans were exacerbated by the extended lockdown and a disrupted academic year for institutions of higher learning. Career awareness campaigns suffered the same fate.

The table below provides a summary of confirmed accreditation dates by each professional council:

Table 20: CBEP Accreditation Visits

CBEP	Date/s	Reasons
South African Council for the Architectural Profession (SACAP)	None confirmed	No visits planned for the quarter (January-March 2021). The visits will be implemented in the 2021/22 financial year as approved by the SACAP Council
South African Council for the Landscape Architectural Profession (SACLAP)	None confirmed	No visit planned for the quarter (January-March 2021). All visits postponed to the 2020/21 financial year due to Covid-19 pandemic restrictions
Engineering Council of South Africa (ECSA)	None confirmed	No visit planned for the quarter (January-March 2021). All visits postponed to the 2021/22 financial year due to Covid-19 pandemic restrictions
South African Council for the Property Valuers Profession (SACPVP)	None confirmed	No visit planned for the quarter (January-March 2021). All visits postponed to the 2021/22 financial year due to Covid-19 pandemic restrictions
South African Council for the Project and Construction Management Professions (SACPCMP)	None confirmed	No visit planned for the quarter (January-March 2021). All visits postponed to the 2021/22 financial year due to Covid-19 pandemic restrictions
South African Council for the Quantity Surveying Profession (SACQSP)	None confirmed	No visit planned for the quarter (January-March 2021). All visits postponed to the 2021/22 financial year due to Covid-19 pandemic restrictions

The CBE received two accreditation appeals from the University of KwaZulu-Natal (UKZN) and the Walter Sisulu University (WSU).

In the UKZN appeal, the Appellant appealed the decision of SACQSP to withdraw accreditation to teach the BSc Property Development and BSC Quantity Surveying Honours degrees, conveyed in a letter dated 13 December 2019 from the Registrar of the SACQSP.

UKZN's concern was for the impact of this decision on its 53 students in their final year of study, furthermore the decision will mean that students in their 2nd year of study would be unable to complete their BSc Property Development or BSC Honours in Quantity Surveying degrees.

The Appeals tribunal deliberated on the matter on 21 July 2020 and delivered the following tribunal order on 24 August 2020:

- (a) The Respondent's Accreditation withdrawal decision, of the Appellant's BSc in Property Development studies programme as effected on 05 September 2019 and as ratified by the Respondent's Council on 27 November 2019, is upheld in accordance with section 13(b) of the Quantity Surveying Profession Act
- (b) However, the said withdrawal of the programme accreditation is subject to the Respondent engaging with the Appellant relating to the process that will be followed to ensure that the quality of learning and progress of (all) the remaining second year and third year students meet the requirements and standards for accreditation
- (c) Such conditional accreditation granted shall end at the end of the phasing out process

The CBE engaged UKZN on the decisions of the Appeals tribunal judgement on 30 November 2020, where the university pointed to the following measures implemented to ensure that the quality of learning and progress of (all) the remaining second year and third year students meet the requirements and standards for accreditation viz:

- (i) UKZN embarked on alternative means of teaching involving mainly blended learning, with learning content made accessible to all students both online and offline. Offline platforms include preloaded flash drives, laptops or paper-based interactive learning content
- (ii) UKZN implemented a flexible blended learning as a method of delivery. Furthermore, the university implemented the flexible continuous assessment as a mode of assessment

The CBE engaged the WSU on the accreditation appeal received on 30 October 2019. The CBE assisted the two parties by mediating the appeal. Following consultations during mediation the SACPCMP (Council) resolved as follows, as detailed in a letter from the SACPCMP dated 29 October 2019, that:

- (a) Council has acceded to substitute the withdrawal of the accreditation of the National Diploma: Building with a Provisional accreditation for one (1) year retrospective from 1 April 2019 up to 31 March 2020. This is meant to align to the Council accreditation cycle for ensuring that all corrective measures are within the current accreditation cycle (2017 - 2022)
- (b) Council Provisional accreditation approval is subject to the following conditions fully met by WSU:
 - (i) The University is required to develop a turnaround strategy that should encompass all the ten (10) accreditation criteria as articulated in the Council's Accreditation policy which should be over and above identified gaps that have previously been outlined to the University. The latter was to submit the strategy by no later than 11 November 2019 for discussion by Council
 - (ii) Provide a quarterly compliance and assurance report, effective within the year of provisional approval, implying that the first such quarterly report should be submitted by 31 March 2020
 - (iii) Submit an annual report for assessment no later than 30 April 2020 and thereafter submit quarterly progress reports based on the turnaround strategy

The CBE convened a meeting with the WSU on 26 February 2021 to discuss the progress on addressing the issues raised by the SACPCMP. The update was a discussion on:

- (i) Developments of the accreditation appeal recommendations
- (ii) WSU's immense progress in addressing criterion 1-8 and 10 of the 19 Council on Higher Education (CHE) criteria. Criterion 9, which dealt with postgraduate policies, procedures and regulations, was not applicable to the qualification assessed

The resolution from this meeting was that WSU undertakes the following critical issues towards the accreditation expectations of the SACPCMP, viz.:

- (i) Submit a letter requesting extension to the SACPCMP for consideration
- (ii) Update and submit the Improvement Plan as required by the SACPCMP
- (iii) Put clear and targeted measures in place to ensure that the 19 CHE accreditation criteria are continuously implemented to avoid future withdrawals of accreditation and appeals

The SACPCMP acknowledged the receipt of the extension request letter and the Improvement Plan documents on 4 March 2021. The SACPCMP would deliberate WSU's request during its Programme Accreditation Committee meeting on 15 April 2021 and provide feedback to WSU accordingly. The CBE will continue to follow up this matter to ensure that it is amicably concluded.

Table 21: Programme 3: Objective/Purpose, Planned Targets and Actual Achievements

PROGRAMME 3: SKILLS AND CAPACITY DEVELOPMENT						
Objective/Purpose	Overall Audited Actual Performance 2018/19	Overall Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Overall Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
Coordination of an enabling Built Environment Skills Pipeline from school to professional level	One	One	Four	Four	All targets were achieved A positive variance of ten (10) Built Environment career awareness initiatives was achieved	The reason for the positive variance was due to a request by stakeholders to conduct career awareness in their areas which were not part of the schedule. These activities did not deviate from the CBE's allocated budget to the annual target

Table 22: Programme 3: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME 3: SKILLS AND CAPACITY DEVELOPMENT									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations	
Skilled Built Environment Professionals	Advisory report on the Skills Pipeline Programme	3.1 Number of throughput advisory reports on the Built Environment skills pipeline (supply and demand)	N/A	N/A	Approved advisory throughput report on the Built Environment skills pipeline (supply and demand) by 31 March 2021	Achieved Approved advisory throughput report on the Built Environment skills pipeline (supply and demand) by 31 March 2021	N/A	N/A	
	Monitoring and evaluation on implementation of the Structured Candidacy Programme	3.2 Number of workplaces monitored and evaluated in implementing the Structured Candidacy Programme	N/A	N/A	Fifteen workplaces monitored and evaluated in implementing the Structured Candidacy Programme by 31 March 2021	Achieved Fifteen workplaces monitored and evaluated in implementing the Structured Candidacy Programme by 31 March 2021	N/A	N/A	

PROGRAMME 3: SKILLS AND CAPACITY DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
	Built Environment career awareness initiatives conducted	3.3 Number of Built Environment career awareness initiatives conducted ⁶	N/A	N/A	Twelve Built Environment career awareness initiatives conducted for school learners across nine provinces by 31 March 2021	Achieved Twenty-two (22) Built Environment career awareness initiatives conducted for school learners across nine provinces by 31 March 2021	There was a positive variance of ten (10) Built Environment career awareness initiatives	The reason for the positive variance was due to a request by stakeholders to conduct career awareness in their areas which were not part of the schedule. These activities did not deviate from the CBE's allocated budget to the annual target
	Oversight report on CBEP accreditation of academic programmes and higher learning institutions	3.4 Number of oversight report on CBEP accreditation of Built Environment academic programmes and institutions	Achieved One oversight report was developed on the accreditation of Academic Programmes undertaken by the CBEP by 31 March 2019	Achieved An oversight report developed by 31 March 2020 on the accreditation of academic programmes undertaken by the CBEP	Approved oversight report on the CBEP accreditation of Built Environment academic programmes and institutions by 31 March 2021	Achieved Approved oversight report on the CBEP accreditation of Built Environment academic programmes and institutions by 31 March 2021	N/A	N/A

6 This is a new output indicator, applicable for the implementation of the 2020/21-2024/25 Strategic Plan and 2020/21 APP. This indicator was not applicable in the previous financial years (2018/19 and 2019/20).

Table 23: Programme 3: Linking Performance with Budget

Programme /Activity/ Objective	2020/21			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
3.1 Number of throughput advisory reports on the Built Environment skills pipeline (supply and demand)	-	-	-	-	-	-
3.2 Number of workplaces monitored and evaluated in implementing the Structured Candidacy Programme	864	918	(54)	-	-	-
3.3 Number of Built Environment career awareness initiatives conducted	720	283	437	-	-	-
3.4 Number of oversight report on CBEP accreditation of Built Environment academic programmes and institutions	35	18	17	60	84	(24)

2.4.4 Programme 4: Research and Advisory

The purpose of Programme 4 is to coordinate research outputs, provide advice and facilitate knowledge management on Built Environment matters, including the professions. Programme 4 responds to section 3(d) of the CBE Act to facilitate participation by the built environment professions in integrated development in the context of national goals. Programme 4 contributes following mandates of the CBE Act:

- (i) Sections 4 (a), (d), and (e) of the CBE Act impel the CBE to offer advice to the Minister of Public Works (the Minister) on BE matters, whilst the dynamic and changing BE sector requires regulatory intelligence to fine tune Government's planning and infrastructure investment
- (ii) Section 4(e): *facilitate inter-ministerial co-operation concerning issues relating to the built environment*
- (iii) Section 4(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*

The NDP identifies the need for building a credible evidence base to support decision-making. This programme contributes to the development of data and evidence in the Built Environment sector to enable the achievement of the NDP and those outlined in the MTSF. Over the medium-term, the CBE will work with Government, the Built Environment industry, academic and research communities to:

- (i) inspire and bring forward more research, development and demonstration
- (ii) promote it to the wider industry
- (iii) make the most of existing technologies
- (iv) advise departments and Government in all areas of policy that have a Built Environment dimension to delivery

The CBE Act mandates the CBE to advise government on any matter that falls within the scope of the Built Environment, as well as to create platforms for engagement. The CBE and CBEP have a role to play in proactively identifying, investigating, and explaining trends and changes that are likely to have an impact on the Built Environment Professions and Professionals. Working with the six CBEP, the CBE will secure Built Environment experts as needed to help policy and decision-makers to propose, develop, and implement appropriate policies, procedures, and processes for long-term solutions that will improve public safety, reliability, and the value of public infrastructure. This information will be communicated to the regulators on an ongoing basis to input on their own decision-making and direction setting.

For the 2020/21 APP, Programme 4 had three annual targets:

2.4.4.1 Approved CBE Research Agenda by 31 March 2021. – **Achieved**

As part of the CBE's strategic priority to reposition itself as a thought leader in the Built Environment, the CBE would develop its inaugural Built Environment Research Agenda. The CBE Research Agenda aims to promote creation of quality assured research outputs on matters affecting the Built Environment Professions and the broader Built Environment. The Research Agenda would be developed and facilitated through partnerships with various Built Environment stakeholders, including but not limited to the CBEP, Voluntary Associations (VA) in the Built Environment, government institutions, institutions of higher learning, and the private sector.

The Research Agenda is to enhance CBE's capacity to deliver on its mandate in [section 4(a)], *to 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 Research Agenda would further enable the CBE to lead the sectoral agenda in the Built Environment to:

- (i) identify existing knowledge and gaps in the Built Environment research
- (ii) prioritise research themes and focus areas in guiding the Built Environment research
- (iii) align research efforts from Built Environment stakeholders
- (iv) enable opportunities for collaborative research projects in the Built Environment
- (v) enhance research capacity within the Built Environment
- (vi) serve as a reliable source of research themes, informing research outputs that impact positively on policy imperatives affecting the Built Environment

The annual target was achieved. CBE Research Agenda was approved by 31 March 2021. The operational plan to develop the final draft Research Agenda included a questionnaire on Built Environment research themes and engagements with the following stakeholders to call for input:

- (1) Construction Industry Development Board: issued on 23 February 2021 and received feedback on 3 March 2021
- (2) Consulting Engineers of South Africa (CESA) inclusive of feedback on 12 February 2021
- (3) CBE Research and Policy meeting with the University of Johannesburg - SARCHI (Sustainable Construction Management and Leadership Development in the Built Environment) on 16 February 2021
- (4) CBE Research and Policy Collaboration Meeting with the University of KwaZulu-Natal SARCHI (Inclusive Cities) on 22 February 2021
- (5) Feedback from the Master-Builders of South Africa on 5 and 18 March 2021
- (6) Meeting with the DPWI-ILO (EPWP Branch) on 2 February 2021

The overall response proportion from stakeholders is currently at about 98% and the proposed research themes database is updated. More feedback from stakeholders such as the private sector and academia, received later and beyond quarter 4, shall be saved for the purposes of annual reviews on the CBE Research Agenda.

The final draft Research Agenda highlighted the key research themes that emerged from the data collection exercise as follows:

- (1) Health and Safety
- (2) Skills and Capacity Development
- (3) Infrastructure Delivery, Quality and Public Employment Practices
- (4) Transformation in the Built Environment
- (5) Sustainable Built Environment
- (6) Fourth Industrial Revolution (4IR) disruptions in the Built Environment
- (7) Infrastructure Procurement

*2.4.4.2 Established and functional Built Environment Research Hub by 31 March 2021. - **Achieved***

This project is part of CBE's strategic priority to reposition itself as a thought leader on Built Environment issues. The CBE will establish a national Research Agenda for the Built Environment and consider issues from the continent. The Agenda will be facilitated through partnerships with institutions of higher education, government departments, private sector and other relevant Built Environment stakeholders. The aim is to ultimately create an information and knowledge repository on various issues affecting the sector.

The Research Hub will promote skills, knowledge, and data development to be shared, analysed, interrogated and harnessed to keep the sector abreast on relevant subject areas. The Hub will further become a centre to access data and knowledge about Built Environment research and a platform to harvest, store, and retrieve research knowledge products serving students, professionals, public and private sector institutions, and the public. The Hub will therefore serve as a repository of research outputs including academic and non-academic research reports, policy briefs, technical briefs, special publications, position papers, conference proceedings and research papers.

The annual target was achieved. The Built Environment Research Hub has been established and is functional, with a total of 43 research outputs covering four research themes uploaded during the 2020/21 financial year. The following table details the research outputs presently in the Research Hub:

Table 24: Research Outputs

Thematic Area	Research Output
Health and Safety	<ol style="list-style-type: none"> (1) Final advisory report that analysed the state of compliance with health and safety regulations by CBEP (2) Final advisory report on health and safety regulations within the public sector (3) Final report on the construction health and safety framework for tertiary built environment education
Transformation	<ol style="list-style-type: none"> (1) Report on the benchmarking study on transformation best practices within the Built Environment (2) Report on the status of transformation in the South African Built Environment Professions (3) An assessment of transformation strategies in South Africa: a multi-case study of the accounting, financial services, government, and construction sectors
Infrastructure Delivery and Quality and Public Employment Practices	<ol style="list-style-type: none"> (1) Final report on Built Environment Professionals role in the Expanded Public Works Programme (2) Report on the development of an Empirical Model for the Improvement of Labour Intensity on Public Entity Infrastructure Projects (3) Final research report analysing the potential impact of the Fourth Industrial Revolution (4IR) on Expanded Public Works Programme (EPWP) practices (4) Report on the viability of Government Infrastructure Agency Discussion Document (5) Research report on the benchmarking of the Identification of Work in other countries (6) Final draft report on the state of readiness of municipalities to implement the infrastructure delivery management system (SIPDM) (7) Final research report analysing the impact of SIPDM on attracting and retaining BEPs within DPWI (8) Final research report that analysed the best practices of models/systems equivalent to the SIPDM/FIDPM (9) Research Report on the Status Quo on IDMS Implementation within Provinces for Infrastructure Delivery (10) Framework on Modalities to integrate labour intensive practice (11) Efficiency in Infrastructure delivery in Post-Apartheid: an analysis of the Infrastructure Delivery Management System (IDMS) in the Public Sector in South Africa (12) Challenges associated with infrastructure delivery (13) Factors causing inefficient infrastructure procurement and delivery management in South Africa (14) Public infrastructure delivery and construction sector dynamism (15) The role of Built Environment Professionals in the Built Environment in contributing to sustainable development in Nigeria

Thematic Area	Research Output
Skills and Capacity Development	<ol style="list-style-type: none"> (1) Report on the State of the Built Environment Professions (2) Final research report on the viability of an implementation (3) Report on Approaches to Attract and Retain Built Environment Professionals in the South African Public Sector (4) Report on the National Built Environment Skills Audit (5) Baseline study on the status and degree to which the Built Environment curriculum incorporates the five knowledge areas (6) Report on the evaluation of the impact of CBE's Monitoring & Evaluation support programme in South African provinces (7) Policy Position Paper on the Recognition of New Professions in the Built Environment (8) Profile of Built Environment Professionals Employed in the Public Sector (9) Incorporating new knowledge areas into Built Environment curricula in Tertiary Institutions (10) Report on Status-Quo Analysis and Spatial Mapping of various Math's and Science Initiatives in the Built Environment (11) Final advisory report on the implementation of the Occupational Specific Dispensation (OSD) on the engineering related fields (12) Baseline study on the status and degree to which the Built Environment curriculum incorporates the five knowledge areas (13) CBE's integrated proposal to address the skills pipeline in the Built Environment (14) Developing skills to meet infrastructure needs (15) Capacity self-assessment as a catalyst for improved municipal service delivery (16) Skills for infrastructure delivery in South Africa (17) Skills profile of technical staff in the South African local government sector: an empirical survey (18) Numbers and needs in local government: where are we now? (19) Numbers and needs in local government
The 4IR disruptions in the Built Environment	<ol style="list-style-type: none"> (1) Final research report on the viability of an implementation plan to incorporate the digitalisation and technologies of the fourth industrial revolution into BE academic curricula (2) Integrating BIM practices into university curriculum (3) Discovering the level of BIM implementation at South African architecture schools: a qualitative study

The Research and Policy and the IT units developed an action plan to enhance the features and infrastructure of the Built Environment Research Hub which will continue to be implemented in the upcoming financial year. As part of this project the CBE is also pursuing strategic partnerships with academic institutions to develop the research agenda, exchange research outputs and establish knowledge sharing platforms that will assist with information, research, education, sharing of ideas amongst Built Environment Professionals and academia. In the fourth quarter, engagements focusing on research collaboration were held with the University of Witwatersrand, UKZN and the SARChI Chair in Sustainable Construction Management & Leadership in the Built Environment within the University of Johannesburg.

In the 2020/21 financial year, Memoranda of Understandings (MoUs) were finalised with the following academic institutions:

- (1) University of Cape Town
- (2) University of Johannesburg (Centre of Applied Research and Innovation in the Built Environment (CARINBE))
- (3) Mangosuthu University of Technology (MUT)
- (4) Durban University of Technology (DUT)

MoUs with the Tshwane University of Technology, UKZN and SARChI Chair in Sustainable Construction Management & Leadership in the Built Environment within the University of Johannesburg and the University of the Witwatersrand will be finalised in the first quarter of the 2021/22 financial year.

*2.4.4.3 Two Built Environment advisory reports developed and submitted to the Minister of DPW by 31 March 2021. – **Achieved***

This project is aligned to CBE's mandate of advising government in all matters falling within the scope of the built environment, including resource utilisation, socio-economic development, public health, safety and environment. Therefore, in the 2020/21 financial year, the CBE established a Built Environment Research Hub with access to various research databases on themes relating to CBE's mandate and other issues of national priority pertaining to the Built Environment. The database will initially focus on Health and Safety, Built Environment Skills Development, Environmental Sustainability and Built Environment Regulations. Areas of national importance will include Transformation, the EPWP and the FIDPM.

The annual target was achieved. Two Built Environment advisory reports were developed and submitted to the Minister of PWI by 31 March 2021 on:

(a) Institutionalisation of FIDPM and Skills Requirements

The advisory report highlights continuous advisory engagements over a period and makes recommendations for the Minister's consideration regarding BE skills in coordinating government infrastructure. The advisory report on the institutionalisation of FIDPM and skills requirements provides a brief overview on the collaboration and developments around the Infrastructure Delivery Management System (IDMS) and SIPDM which culminated in the FIDPM. To establish the extent of implementation of these procurement guidelines, a survey was undertaken within the DPWI to establish the challenges and potential opportunities in building technical capacity within government. Above all, this advisory is underpinned by the critical role of the DPWI and the CBE to drive transformation of the Built Environment Professions. The advisory report on the institutionalisation of FIDPM and skills requirements covers the following areas:

- (1) Highlights the key research findings on the institutionalisation of IDMS and FIDPM within the Public Works sector

- (2) Outlines the technical skills required to support the implementations of IDMS and FIDPM within the public sector
- (3) Discusses the importance and implications of FIDPM for the public sector
- (4) The initiatives of the FIDPM Task Team
- (5) Recommendations

In addition, the CBE and National Treasury jointly established an advisory FIDPM Task Team in the 2019/20 financial year. The purpose of this platform is to support the effective implementation of the FIDPM, with specific reference to skills requirements and building technical capacity of the state. In the 2020/21 financial year, the FIDPM Task Team held five engagements. The FIDPM Task Team progress report has been submitted to the COO.

(b) Implications of 4IR on EPWP

The purpose of this advisory report is to appraise DPWI and International Labour Organization (ILO) on issues identified during a CBE research study on the potential implications of 4IR on EPWP practices. The research was undertaken with the mandate of the CBE to promote participation of Built Environment Professions in the integrated development, as well as to provide ongoing advice to government. The broader aim of the project is to create greater awareness amongst the infrastructure Departments, CBEP and tertiary institutions providing Built Environment programmes on the implications of 4IR on EPWP. Moreover, the project seeks to promote the role of BE professions in contributing to one of government's priorities to create employment opportunities.

The insights provided in this advisory report are supported through a formalised collaboration between the CBE, DPWI EPWP and ILO that engages continuously on the role of Built Environment Professions to promote labour intensive practices through the EPWP.

The advisory report covers the following areas:

- (1) Issues from a literature review
- (2) State of unemployment in South Africa
- (3) Lessons for Public Employment Programmes in South Africa
- (4) Perspectives from respondents
- (5) Discussions on the impact of 4IR on EPWP
- (6) Recommendations

Complementary to the report, a policy brief was developed to examine the likely impact of the 4IR on the EPWP and broadens possible policy responses not only to mitigate the negative impact, but to also leverage new opportunities that emerge as a consequence of the new paradigm. The policy brief highlights the following areas:

- (1) Study findings
- (2) Policy Implications
- (3) Recommendations

The joint MoU between the CBE-DPWI-ILO was revised with an Action Plan, allotting tasks for the Team (CBE- Research and Policy; DPWI-EPWP; and ILO- Infrastructure Technical Advisory). There are regular progress meetings to provide update and identify areas of focus that have an impact on the Built Environment. In quarter four, an engagement was held on 2 February 2021.

Table 25: Programme 4: Objective/Purpose, Planned Targets and Actual Achievements

PROGRAMME 4: RESEARCH AND ADVISORY						
Objective/Purpose	Audited Overall Actual Performance 2018/19	Audited Overall Actual Performance 2019/20	Planned Annual Targets 2020/21	Overall Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
To coordinate research outputs, provide advice and facilitate knowledge on built environment matters, including the professions	N/A	N/A	Three	Three	All targets were achieved	N/A

Table 26: Programme 4: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME: RESEARCH AND ADVISORY								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
Informed decision making that impacts the current and future operational requirements of the industry	Approved CBE Research Agenda by 31 March 2021	4.1 Quality assured CBE Research Agenda	N/A	N/A	Approved CBE Research Agenda by 31 March 2021	Achieved Approved CBE Research Agenda by 31 March 2021	N/A	N/A
	Establishment and management of a Built Environment Research Hub	4.2 Functional Built Environment Research Hub	N/A	N/A	Established and functional Built Environment Research Hub by 31 March 2021	Achieved Established and functional Built Environment Research Hub by 31 March 2021	N/A	N/A
	Advisory Briefs developed and submitted to relevant stakeholders	4.3 Number of advisory reports developed and submitted to the Minister of PWI ⁷	N/A	N/A	Two Built Environment advisory reports developed and submitted to the Minister of PWI by 31 March 2021	Achieved Two Built Environment advisory reports developed and submitted to the Minister of PWI by 31 March 2021	N/A	N/A

This is a Research and Advisory Output Indicator. It is not an outcome indicator of the 2020/21-2024/25 Strategic Plan and 2020/21 APP. This indicator was not applicable in the previous financial years (2018/19 and 2019/20).

Programme /Activity/ Objective	2020/21				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 Quality assured CBE Research Agenda	15	11	4		-	-	-
4.2 Functional Built Environment Research Hub	-	-	-		-	-	-
4.3 Number of advisory reports developed and submitted to the Minister of PWI	9	3	6		-	-	-

2.4.5 Programme 5: Regulation and Public Protection

This Programme is responding to sections 3, 4, 20 and 21 of the CBE Act.

Programme 5 contributes to Priority 6: A capable, ethical and developmental state. The CBE contributes towards this outcome by facilitating the capacity building of the six CBEP through corporate governance assessment, Built Environment Legislation Update, and the CBE's Appeal Function.

A nationally consistent approach to regulating the Built Environment is vital. 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 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.

The CBE will, over the mid-term, continue to act as an appeal body to members of the public aggrieved by a decision of a CBEP. Over the medium-term, the CBE will, working with the CBEP, investigate mechanisms and policies required to better regulate the Built Environment Professions. Relevant legislations and policies will be reviewed and the recommendations submitted to DPWI.

Corporate governance today is part of business discourse the world over. It is now widely accepted that quality corporate governance is a prerequisite to ensure that public entities function with integrity and responsibility. Corporate governance norms are evolving and taking root thanks to heightened concern in South Africa regarding the need for checks and balances on public entities and the compulsion of protecting the interest of the multiple stakeholders. Over the medium-term the CBE will produce a report assessing the level of compliance with good corporate governance in the six CBEP; where there are shortfalls, the CBE will work and assist the councils towards compliance.

For the 2020/21 APP, Programme 5 had three annual targets. The targets performed as follows:

*2.4.5.1 Hundred percent of recommended Built Environment Legislative Updates action plan implemented by 31 March 2021. – **Achieved***

This programme addresses the CBE's mandate in terms of sections 4(a) and 4(d) of the CBE Act. Section 4(a) empowers it to *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*. Section 4(d) allows the CBE to *advise the Minister with regard to the amendment of the Act, if necessary, in order to support the norms and values of the built environment professions*.

The annual target was achieved. Hundred percent of the recommended Built Environment legislative updates action plan was implemented by 31 March 2021. The identified deliverables were pursued in the following manner:

Table 28: Built Environment Legislative Updates Action Plan

Objective	Action	Responsible	Delivery Date	Comments
1. Establish the Legal Forum (the BELF)	A legal forum (the BELF) consisting of legal practitioners employed by the CBE and CBEP to be established to discuss legal matters of common interest	CBE	30 June 2020	Achieved Inauguration meeting held on 8 May 2020
2. Develop Terms of Reference (ToR) for the BELF	ToR for BELF developed in adherence with good governance principles	CBE	30 June 2020	Achieved Terms of Reference developed on 19 June 2020
3. First meeting with the BELF	First meeting conducted	CBE	30 June 2020	Achieved Meeting held on 19 June 2020
4. Identify stakeholders for consultation	Stakeholders identified to consult on viability of an Ombuds Office for the Built Environment	CBE	30 September 2020	Consultation Plan on the Ombuds function developed
5. Request DPWI update on BE legislative changes	DPWI to be requested to provide and update on the BE legislative changes proposed by DPWI earlier	CBE	30 September 2020	Update on BE legislative changes requested in writing to DPWI on 26 June 2020. Feedback received on 2 July 2020
6. Consultation with identified Stakeholders	Stakeholders identified above consulted in writing	CBE	30 September 2020	Questionnaire developed and submitted to identified ombudsman offices for consultation on 22 July 2020. Outcome of consultation captured in a report
7. Develop a framework for depository of legal precedent and add two precedents to depository	The framework to contain inter alia the purpose and intended audience of the depository of legal precedent relevant to the Built Environment or governance of CBEP	CBE	30 December 2020	The requisite framework was developed on 8 January 2021

Objective	Action	Responsible	Delivery Date	Comments
8. Add two precedents to depository	Two precedents falling within the ambit of the framework to be added to the depository	CBE/ CBEP	30 December 2020	Due to the departmental situation outlined in point 7 above, this target was not achieved in quarter three
9. One meeting of BELF	Meeting of BELF in accordance with ToR	CBE/CBEP	30 December 2020	Achieved Meeting held on 27 November 2020
10. Conduct one workshop on investigations with one CBEP	One workshop on good practice related to investigations as per section 28 of the Professions Acts	CBE/CBEP	30 March 2021	Achieved The workshop was conducted on 22 February 2021
11. Conduct one workshop on disciplinary hearings with one CBEP	One workshop on good practice related to disciplinary hearings conducted by CBEP in terms of sections 29 to 32 of the Professions Acts	CBE/CBEP	30 March 2021	Achieved The workshop was conducted on 23 February 2021
12. Report on implementation of Action Plan deliverables for financial year	Consolidation report on Action Plan deliverables implemented	CBE	30 March 2020	Achieved The report was submitted on 31 March 2021

2.4.5.2 Hundred percent of lodged appeals finalised within the statutory 60 days from the date of lodgement by 31 March 2021. – *Achieved*

This programme addresses the CBE's mandate to act as an appeal body on matters referred to it in terms of the law regulating the Built Environment Professions. It also gives effect to the CBE's mandate to promote and protect the interest of the public in the Built Environment. Appeals lodged with the CBE must be decided within 60 days of lodgement.

The annual target was achieved. Hundred percent of lodged appeals were finalised within the statutory 60 days from the date of lodgement by 31 March 2021. The final report on the compliance with the CBE's mandate to decide appeals within 60 days of lodgement was produced.

A total of nine appeals were due for decision - seven were lodged during the financial year, and two were lodged during the fourth quarter of the 2019/20 financial year. All nine appeals, decided within the statutory period of 60 days, are captured in the following table:

Table 29: Appeals

No	Appeal	Date Lodged	Date of 60 Days Lapse	Date of Decision	Nature of the Appeal	Outcome of the Appeal
1	Katlego Motene vs SACAP (1)	20 February 2020	19 April 2020	28 March 2020	Appellant appealed the sanction imposed by SACAP's Disciplinary Tribunal	Appeal was postponed with an order to interrupt the 60 days' time-limit
2	Sakhile Ngcem vs SACAP (1)	26 February 2020	25 April 2020	17 April 2020	Appellant appealed the sanction imposed by SACAP Disciplinary Tribunal	Appeal was postponed with an order to interrupt the 60 days' time-limit
3	Renuka Suekiah Ramroop vs SACAP	22 April 2020	20 June 2020	12 June 2020	Appellant appealed a decision of SACAP's Investigating Committee to not prefer charges against a registered person following a complaint	Appeal was dismissed
4	UKZN vs SACQSP (1)	15 May 2020	14 July 2020	3 July 2020	Appellant appealed the withdrawal of accreditation	Appeal was postponed with an order to interrupt the 60 days' time-limit
5	Sakhile Ngcem vs SACAP (2)	17 June 2020	16 August 2020	4 August 2020	Appellant appealed the sanction imposed by SACAP's Disciplinary Tribunal	Appeal was upheld. The Appeal Committee varied the sanction imposed by SACAP
6	UKZN vs SACQSP (2)	3 July 2020	2 September 2020	24 August 2020	Appellant appealed the withdrawal of accreditation of an educational programme at UKZN	Appeal was upheld
7	Katlego Motene vs SACAP (2)	5 August 2020	4 October 2020	29 September 2020	Appellant appealed the sanction imposed by SACAP's Disciplinary Tribunal	Appeal was dismissed
8	Constantine Dennis Galatis vs ECSA and Others	6 August 2020	5 October 2020	5 October 2020	Appellant appealed a decision ECSA's Investigating Committee to not prefer charges against a registered person following a complaint	Appeal was dismissed
9	Nicholas William Atkinson vs SACPCMP	18 September 2020	17 November 2020	17 November 2020	Appellant appealed a decision of the SACPCMP Council to not recognise an international qualification for purposes of registration	Appeal was dismissed

2.4.5.3 One Corporate Governance assessment of the six CBEP on compliance with the provisions of the adopted Governance Framework developed by 31 March 2021. – Achieved

Section 3(f) of The CBE Act impels the CBE to *promote sound governance of 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 also been an ongoing expectation from DPWI and the Minister to improve governance of the CBEP. In circa 2012, the erstwhile Minister of DPW insisted on 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 the CBEP towards PFMA compliance. The CBEP are however not listed in the PFMA for compliance. Following discussions, a Regulatory Framework containing overall governance principles, including PFMA principles was developed.

The annual target was achieved. One Corporate Governance assessment of six CBEP on compliance with the provisions of the adopted Governance Framework by 31 March 2021. The following table details the issue of the draft assessment checklist and subsequent schedule of consultations with the CBEP:

Table 30: Corporate Governance Assessment of the CBEP

CBEP	Issue of Draft Assessment Checklist	Consultation
SACAP	25 May 2020	28 May 2020
SACLAP	04 August 2020	21 September 2020
ECSA	21 October 2020	21 October 2020
SACPVP	26 May 2020	25 June 2020
SACPCMP	04 August 2020	20 November 2020
SACQSP	26 May 2020	10 July 2020

Table 31: Programme 5: Objectives/Purpose, Planned Targets and Actual Achievements

PROGRAMME 5: REGULATION AND PUBLIC PROTECTION						
Objectives/Purpose	Audited Overall Actual Performance 2018/19	Audited Overall Actual Performance 2019/20	Planned Annual Targets 2020/21	Overall Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Comment on Deviations
Ensuring that the CBE protects members of the public in the built environment	Two	One	Three	Three	All targets were achieved	N/A
Ensuring that the built environment councils adhere to principles of the governance framework						

Table 32: Programme 5: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

SUB-PROGRAMME: PUBLIC PROTECTION								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Reasons for Deviations
Promote and protect public interest in the Built Environment	Providing advice and recommendations related to Built Environment related legislation to the DPWI	5.1 Percentage of recommended Built Environment legislative updates action plan implemented ⁸	N/A	N/A	Hundred percent of recommended Built Environment Legislative Updates action plan by implemented by 31 March 2021	Achieved Hundred percent of recommended Built Environment Legislative Updates action plan implemented by 31 March 2021	N/A	N/A
	Finalise lodged appeals within 60 days	5.2 Percentage of lodged appeals finalised within the statutory 60 days from the 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 SACPV. Six appeals were against refusals of registration applications, whilst the remaining four related to disciplinary investigations and hearings	Achieved 100% of appeals finalised within the statutory 60 days of their lodgement by 31 March 2020	Hundred percent of lodged appeals finalised within the statutory 60 days from the date of lodgement by 31 March 2021	Achieved Hundred percent of lodged appeals finalised within the statutory 60 days from the date of lodgement by 31 March 2021	N/A	N/A

⁸ This is a new output indicator, applicable for the implementation of the 2020/21-2024/25 Strategic Plan and 2020/21 APP. This indicator was not applicable in the previous financial years (2018/19 and 2019/20).

SUB-PROGRAMME: SOUND GOVERNANCE FOR COUNCILS IN THE BUILT ENVIRONMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from Planned Target to Actual Achievement for 2020/21	Comment on Deviations
Promote and protect public interest in the Built Environment	Compliance of the CBEP with the Governance Framework	5.3 Number of Corporate Governance assessments of the six CBEP on compliance with the provisions of the adopted Governance Framework to identify potential governance weaknesses	Achieved A report on the six CBEP' implementation of the King IV™ corporate governance framework was developed and submitted to Council and DPW by 31 March 2019	Not Achieved One workshop conducted with CBEP by 31 March 2020 to promote the principles of the final Governance Regulatory Framework	One Corporate Governance assessment of six CBEP on compliance with the provisions of the adopted Governance Framework by 31 March 2021	Achieved One Corporate Governance assessment of the six CBEP on compliance with the provisions of the adopted Governance Framework developed by 31 March 2021	N/A	N/A

Table 33: Programme 5: Linking Performance with Budget

Programme /Activity/ Objective	2020/21			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
5.1 Percentage of recommended Built Environment legislative updates action plan implemented	-	-	-	-	-	-
5.2 Percentage of lodged appeals finalised within the statutory 60 days from the date of lodgement	658	650	8	895	893	2
5.3 Number of Corporate Governance assessments of the six CBEP on compliance with the provisions of the adopted Governance Framework to identify potential governance weaknesses	8	1	7	5	3	2

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 R48.813 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 and consulting fees as the main cost drivers. The CBE did not receive any levy income from the CBEP as a full discount was provided.

2.6 Revenue Collection

The table below indicates the sources of revenue:

Table 34: Sources of Revenue

Source of Revenue	2020/21			2019/20		
	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	48 813	48 813	-	52 796	52 796	-
Levies	-	2 075	(2 075)	2 363	2 110	253
Interest	445	481	(36)	810	921	(111)
Other operating income	469	730	(261)	4 781	4 416	365
Total	49 727	52 099	(2 372)	60 750	60 243	507

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

Levies were not budgeted for as the CBE provided a 100% debt relief to the CBEP.

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

The major contributor for the amount over collected was deemed proceeds from insurance claims for assets replaced.

2.6.5 Programme Expenditure

Table 35: Expenditure per Programme

Programme	2020/21			2019/20		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
Programme 1: Administration	47 133	50 388	(3 255)	47 804	48 851	(1 047)
Programme 2: Transformation	186	49	137	11 505	10 684	821
Programme 3: Skills and Capacity Development	1 718	1 165	553	415	346	69
Programme 4: Research and Advisory	24	14	10	981	952	29
Programme 5: Regulation and Public Protection	666	652	14	45	37	8
Total	49 727	52 268	(2 541)	60 750	60 870	(120)
Assets (additions)		993	(993)	-	1 358	(1 358)
Total including assets (additions)	49 727	53 261	(3 534)	60 750	62 228	(1 478)

Reasons for (Over) / Under Expenditure

2.6.5.1 Administration

The shortfall is attributable to:

- Depreciation and amortisation which is not budgeted for in a cash-based budget
- Council took a resolution to provide the CBEP with a 100% debt relief on levy income
- The revenue enhancement strategy and organisational design projects commenced in the current year; however due to delays, these projects will only be finalised in the new financial year, resulting in a saving
- 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 an investigation into a whistle-blower hotline tip-off. The funds allocated for such legal action was therefore not utilised and a saving realised
- An overspend on council remuneration arose from an emergency meeting scheduled to approve the amendment of the CBE budget as a result of the reprioritisation of budgets. Other meetings were also scheduled to attend to the current investigation into a hotline tip off
- Prior year committed funds were utilised for training, radio and TV interviews, and computer expenses (i.e. Unemployment database, Electronic Built Environment System), which resulted in the actual expenditure exceeding the budgeted expenditure. These differences were offset against the savings highlighted above

2.6.5.2 Transformation

The expenditure was incurred in line with the estimated budget, and the variance is due to computer and studio equipment which were capitalised.

2.6.5.3 Skills and Capacity Development

The surplus was attributed to promotional items which were procured in the last quarter, but not yet received at year end.

2.6.5.4 Research and Advisory

Due to Covid-19 travel restrictions a surplus was realised.

2.6.5.5 Regulation and Public Protection

There was a surplus due to appeal committee fees. Due to the unpredictable nature of appeals, the number of appeals cannot be accurately determined at the beginning of the year.

The next table indicates that there were no infrastructure projects during the 2020/21 reporting period and the prior 2019/20 financial year:

Table 36: Infrastructure Projects

Infrastructure Projects	2020/21			2019/20		
	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 2020/21 and prior years.



PART C

GOVERNANCE





3. Governance

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.

According to this Report, Corporate Governance is about the exercise of ethical and effective leadership by the CBE Council (Council). Such leadership includes the following responsibilities for the Council:

- (a) providing strategic direction to the CBE
- (b) approving policy to put strategy into effect
- (c) providing informed oversight of implementation and performance
- (d) disclosing (Reporting)

The pursuance of ethical and effective leadership should result in the following beneficial outcomes for the CBE:

- (a) an ethical culture
- (b) sustainable performance and value-creation
- (c) adequate and effective control by the Council
- (d) protecting and building trust in the CBE as an organisation, its reputation and legitimacy

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 2020/21 financial year, the CBE presented the following to the PPC:

- (i) The CBE's 2019/20 Annual Report
- (ii) The CBE's 2020/21 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 37: Reports Submitted to the Minister of Public Works and Infrastructure

Accountability Report	Date of Submission to DPWI
Annual Report 2019/20	August 2020
Annual Performance Plan 2020/21	January 2020
Fourth Quarterly Report 2019/20	April 2020
First Quarterly Report 2020/21	July 2020
Second Quarterly Report 2020/21	October 2020
Third Quarterly Report 2020/21	January 2021

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 approved the revised Delegation of Authority Framework on 10 March 2021. 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 (ARC).

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 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.

Two Council members, nominated by the public, resigned in January 2021 reducing Council to seventeen members. A nomination process is underway to determine suitable nominees nominated by the public to fill the three vacancies in Council.

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 is in the process of entering 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 are still in the process of being filled
- (b) Covid-19 National Lockdown which affected the financial viability of the CBEP
- (c) Alternate legislated deadlines due to the Covid-19 Lockdown

3.4.7 Meetings of Council

Fifteen Council meetings were held during the 2020/21 financial year: four scheduled meetings, eight special meetings, and three workshops with the following outcomes:

Approval of the following:

- (i) 2019/20 Annual Report
- (ii) 2019/20 Annual Financial Statements
- (iii) 2020/21 Covid-19 Budget Adjustment
- (iv) 2020/21 Mid-Term Budget Review
- (v) 2021/2022 Budget Allocation
- (vi) 2020 Cost of Living Increases

- (vii) Appointment of chairpersons and members of the Standing Appeal Committee to serve on a rotational basis
- (viii) 2021/22 Corporate Meeting Calendar
- (ix) 2021/22 APP for submission to DPWI
- (x) 2021/22 CBE Shareholder's Compact
- (xi) Approval of a revised Supply Chain Management Policy
- (xii) Establishment of a Social, Ethics and Governance Committee
- (xiii) Establishment of the four Transformation Collaborative Committees:
 - Procurement Policy and Legislation
 - Women Empowerment and Gender Equality
 - Occupational Specific Dispensation and Socio-Economic Development
 - Professional Skills and Capacity Development
 - Safety, Health and Public Protection
- (xiv) Approved the Delegation of Authority, IT Governance Framework, Whistle Blower Policy, Compliance Policy, Risk Management Strategy, 2021/2022 Procurement Plan, Appeal Policy
- (xv) Elected the EXCO members for 2021/22

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

- (xvi) Approval of the 2021/2022 Annual Performance Plan
- (xvii) Approval of Selection Panel Recommendation to Minister of PWI for the filling of the three vacancies in Council
- (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)
- (iii) 2019/20 Unqualified Audit Report

Table 38: 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)	No. of Meetings Attended
Dr Sitsabo Samuel Dlamini (Chairperson)	Section 5(2)(c) Nominated by SACAP	20 January 2020	-	PhD MSc (International Construction Management) Architectural Technology			CBE: Chair Council Chair EXCO FHLC Member BEMC Member	96
Keafsha Ernestina Maphefo Mogodi (Deputy Chairperson)	Section 5(2)(b) read with section 6(3)(b) Representative of state departments	1 November 2018	-	BSc (Quantity Surveying)			CBE: Deputy Chair Council Deputy Chair EXCO Deputy Chair BEMC FHLC Member	78
Dr Jenitha Badul	Section 5(2)(b) Nominated by Department of Environmental Affairs	1 November 2018	-	PhD MSc BSc Microbiology BA Environment Management			CBE: Council Member BEMC 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)	No. of Meetings Attended
Dr Claire Helen Deacon	Section 5(2)(c) Nominated by SACPCMP	1 November 2018	-	PhD (Construction Management) M (Cur Research Capacity Initiative) BSc.Med (Hons) (Biomedical Engineering) BTech (Occupational Health) Dip (Gen Nursing) Cert (Occupational Health Nursing) Cert (Audiometry Fundamental Management Programme)			CBE: Council Member BEMC Member	18

Name	Designation (in terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships (List the Entities)	Other Committees or Task Teams (e.g. Audit and Risk Committee / Ministerial Task Team)	No. of Meetings Attended
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	19
Dr Keith Ivor Jacobs	Section 5(2)(c) Nominated by ECSA	1 November 2018	-	PhD MBA Honours Business Admin BEEd Nat Dipl Technicians			CBE: Council Member EXCO Member Chair FHLC	42
Zandile Yvonne Makhathini	Section 5(2)(b) Nominated by Department of Water Affairs and Sanitation	1 November 2018	-	MBA MSc (Construction Project Management) BProc			CBE: Council Member Chair BEMC	37

Name	Designation (in terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships (List the Entities)	Other Committees or Task Teams (e.g. Audit and Risk Committee / Ministerial Task Team)	No. of Meetings Attended
Jerry Leigh Margolius	Section 5(2)(c) Nominated by SACPV	1 November 2018	-	M Phil Nat Dipl (Property Valuations, Arbitrations, Mediation) (Construction, Economics & Management) Certificate (Real Estate)	Property Valuation, Sectional Title, Arbitration and Mediation Property Management Real Estate Litigation Support and Expert Witness (Property Matters) Property Law	Jerry L Margolius & Associates CC Arbitration & Appraisal Services CC Jonc Trust (Trustee), CTJC C (PTY) Ltd Rates Watch Cape CC Arabella Country Estate Home Owners Association (non- executive Director)	Margin Property valuation services (Pty) Limited (Consultant) Member of Western Cape Provincial Government Property Committee Chairman; Hatfield Management Committee Ministerial Task Team Land Valuer-General, Editor-The Valuer manual (Lexus) CBE: Council Member FHLC Member	18
Gert Hendrik Meyer	Section 5(2)(c) Nominated by SACQSP	1 November 2018	-	MSc (Building Management) BSc (QS)			CBE: Council Member BEMC Member	17

Name	Designation (in terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships (List the Entities)	Other Committees or Task Teams (e.g. Audit and Risk Committee / Ministerial Task Team)	No. of Meetings Attended
Hazel Nolutando 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	12
Sinenhlanhla Thuleleni Mthembu	Section 5(2)(d) Public Nominee	1 November 2018	-	LLB (Corporate Governance SCM Labour Law)		Director/ Attorney. ARC: Jozini Municipality Chairperson: KZN Liquor Authority. Member: KZN Gaming and Betting Board. Chairperson: Valuation Appeal Board COGTA (KZN). Member: Bid Appeals Tribunal KZN Prov Treasury. Commissioner: Small Claims Court.	CBE: Council Member FHLC Member	20

Name	Designation (in terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships (List the Entities)	Other Committees or Task Teams (e.g. Audit and Risk Committee / Ministerial Task Team)	No. of Meetings Attended
Hendrick Nlovu	Section 5(2)(c) Nominated by SACPVP	1 November 2018	-	Nat Dipl (Real Estate) Cert (Strategic Management)			CBE: Council Member BEMC Member	18
Nonizi Qina	Section 5(2)(c) Nominated by SACQSP	1 November 2018	-	MSc (Project Management) BTech (QS)			CBE: Council Member BEMC Member	22
Florence Rabada	Section 5(2)(a) Representative Department of Public Works and Infrastructure	1 November 2018	-	BSc (Hons) (Town and Regional Planning)			CBE: Council Member BEMC Member	13
Karuni Naidoo	Section 5(2)(c) Nominated by SACAP	20 January 2020	-	B. Architecture			CBE: Chair Council BEMC Member	39
Willie Ofentse Mothowamodimo	Section 5(2)(c) Nominated by SACLAP	20 January 2020	-	ML Architecture BL Architecture (Hons)			CBE: Chair Council BEMC Member	10
Cyril Vuyani Gamede	Section 5(2)(c) Nominated by ECSA	20 January 2020	-	Masters BSc Eng			CBE: Chair Council BEMC Member	7

Name	Designation (in terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships (List the Entities)	Other Committees or Task Teams (e.g. Audit and Risk Committee / Ministerial Task Team)	No. of Meetings Attended
Resigned Members								
Adv Boitumelo Tlhakung	Section 5(2)(c) Nominated by ECSA	1 November 2018	23 November 2018	HDip/Masters (Tax Law) HDip/Master (International Tax Law) LLB BA Law				0
Absalom Mosabeni Molobe (Chairperson)	Section 5(2)(c) Nominated by SACLAP	1 November 2018	27 June 2019	ML Architecture BL Architecture (Hons) BSc Landscape 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 Hons & CTA BCompt			CBE: Council Member FHLC Member	0

Name	Designation (in terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships (List the Entities)	Other Committees or Task Teams (e.g. Audit and Risk Committee / Ministerial Task Team)	No. of Meetings Attended
Dr Pritish Dala	Section 5(2)(d) Public nominee	1 November 2018	4 January 2021	PhD (Info Tech) Masters (Info Tech) BSc Computer Science (Hons) 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	19
Ulandi Exner	Section 5(2)(d) Public nominee	1 November 2018	13 January 2021	BCom (Informatics) CISA; CISSP			CBE: Council Member EXCO Member (Alternate) ARC Member FHLC Member	22

3.4.8 Committees of Council – Purpose and Composition

The CBE Council appointed five committees in terms of 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.

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 2020/21 financial year, three scheduled meetings, three special EXCO meetings, two workshops and four CEO performance reviews were held with the following outcomes:

Documents Recommended to Council

- (i) Quarterly Reports were recommended to Council for approval for submission as a statutory requirement
- (ii) CEO's Quarterly Performance Reviews

Highlights of Documents and Reports Noted

- (iii) Quarterly Strategic Risk Register, Risk Management Report, Legal Compliance Report, Stakeholder Management Report, and the proposed organisational design and structure
- (iv) External 's Management Letter and Audit Report of an unqualified audit with findings
- (v) Council and Committee Structure Workshop outcomes
- (vi) Reviewed the legislative mandate of EXCO and recommended that way forward to Council
- (vii) Reviewing and recommendation of relevant policies

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 five scheduled meetings, two special meetings and one training session during the 2020/21 financial year with the following outcomes:

Documents Recommended to Council for Approval:

- (i) 2019/20 Annual Financial Statements
- (ii) 2019/20 Annual Report
- (iii) External auditor Engagement Letter and Audit Strategy for the year ending 31 March 2020
- (iv) Reviewing and recommendation of relevant policies

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, External Audit Dashboard Report, Internal Audit Reports and Work Plan
- (ii) Six Month Financial Statements deemed auditable
- (iii) 2021/22 Annual Performance Plan

Whistle Blowers Reports

Council resolved that the Whistle Blowers reports received in 2019/20 are investigated. A number of meetings and presentations tracked the progress of the following investigations –

- (1) O.M.A. Chartered Accountants Inc. (OMA) concluded its investigation into Whistle Blowers report of the appointment of the CEO. The allegations were determined to be unfounded in terms of processes followed, however Council's processes could not be confirmed due to the lack of recordings thereof. Hence, going forward Council should ensure that all processes are properly documented and recorded. Management is to strengthen its recruitment process and verification of qualifications and references for all employees.
- (2) The SNG-Grant Thornton (SNG) investigation into the Whistle Blowers report on a number of allegations are ongoing.
- (3) A cursory investigation by the External Auditors regarding the disclosure of the Company Secretary position in the Annual Report was concluded with a recommendation that the Internal Auditor conducts a cursory investigation, currently underway.

Table 39: Investigations

Date	Meetings	Investigation and Status
1 April 2020	Council Delegated	SNG Whistle Blower Report
21 April 2020	ARC	OMA Whistle Blower Report
19 May 2020	Council Delegated	SNG Whistle Blower Report
25 May 2020	ARC In-Committee	SNG Whistle Blower Report
30 June 2020	Council	SNG Presentation Whistle Blower Report
20 July 2020	Council Delegated	SNG Whistle Blower Report
20 July 2020	ARC In-Committee	OMA Whistle Blower Report
22 July 2020	ARC	Disclosure Under Investigation: Irregular Expenditure Scoring Guidelines
22 July 2020	ARC	Disclosure Under Investigation: Irregular Expenditure GMI
August 2020	ARC	Nexia SAB&T Disclosure Under Investigation Company Secretary Position in Annual Report – corrected in the 2019/2020 Annual Report
5 August 2020	Council Delegated	SNG Whistle Blower Report
1 September 2020	Council Delegated	SNG Whistle Blower Report
14 September 2020	Council	SNG Presentation Whistle Blower Report
23 September 2020	ARC In-Committee	OMA Whistle Blower Report – recommendations implemented and matter concluded
23 September 2020	ARC In-Committee	SNG Whistle Blower Report
23 September 2020	ARC In-Committee	Under Investigation: Irregular Expenditure SCM Process for Sole Sourcing
1 October 2020	Council Delegated	SNG Whistle Blower Report
22 October 2020	Council Delegated	Briefing with Legal Expert regarding SNG Whistle Blower Report
22 October 2020	Council Delegated	SNG Whistle Blower Report
26 October 2020	ARC In-Committee	Under Investigation: Irregular Expenditure SCM Process for Sole Sourcing
26 October 2020	ARC/FHLC Joint	Rakoma Report: Disclosure of Company Secretary Position in Annual Report
4 November 2020	Council Delegated	Briefing with Legal Expert regarding SNG Whistle Blower Report
13 January 2021	Council Delegated	Way forward regarding SNG Whistle Blower Report
3 February 2021	Council Delegated	Meeting with NT regarding SNG Whistle Blower Report
5 March 2021	Council Delegated	Discussion with Legal regarding MMMG Invoicing
23 April 2021	Council Delegated	Discussion with Thipa Attorneys regarding way forward with SNG Report

Date	Meetings	Investigation and Status
19 May 2021	FHLC	Deliberated on the Nexus Investigation Report: Irregular Expenditure SCM Process for Sole Sourcing and recommended to Council
		Deliberated on the Rakoma Report regarding the Company Secretary position and recommended to Council
27 May 2021	Council	Deliberated on the Nexus Investigation Report: Irregular Expenditure SCM Process for Sole Sourcing and approved the recommendations made – Matter resolved
		Deliberated on the Rakoma Report regarding the Company Secretary position and approved the recommendations made – Matter resolved
9 June 2021	Council Delegated	Finalise letter to SNG regarding report as per Thipa Attorneys
15 June 2021	Altimax	Appointed to investigate the irregular expenditure of GMI payments in 2015/2016
14 July 2021	Council Delegated	Deliberated on the way forward in the SNG matter in terms of their response to the CBE letter with Thipa Attorneys and Manager: Legal and Regulations
15 July 2021	Special ARC	Altimax presented the report on the irregular expenditure of GMI payments in 2015/2016

3.4.8.3 Appeals Committee

The Council for the Built Environment Act, 43 of 2000, (the CBE Act) and the profession's 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
- (ii) a professional with appropriate experience
- (iii) a specialist in the professional field concerning the appeal

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

Council, at its meeting of March 2020 appointed the following standing Appeal Committee, for a period of 12 (twelve) months to be allocated for appeal hearings on a rotational basis as and when required:

Table 40: Appeal Committee Appointed

Name	Capacity (Chairperson or BE Generalist)
Lebogang Stroom-Nzama	Chairperson
Khathutshelo Sikhala	Chairperson
Boitumelo Mmusinyane	Chairperson
Sibusiso N Jiyane	Chairperson
Rebaone Gaoraelwe	Chairperson
Virginia Mohala	Chairperson
Mohamad I Motala	Chairperson
Selemo B Makubung	Chairperson
Linda L Manyathi	Chairperson
Gerald Damstra	BE Generalist
Darryl R Riley	BE Generalist
Karl Bailey	BE Generalist
Shoayb Loonat	BE Generalist
Tracey Myers	BE Generalist
Ron Watermeyer	BE Generalist

List of Specialists Identified by the CEO as per Council Resolution

Table 41: Specialists Appointed for Appeals

Name	Appeal
Eugene Barnard	Sakhile Ngcem vs SACAP
Singalakha Jojo	Katlego Motene vs SACAP
Prof Majozi	University of Kwazulu-Natal vs SACQSP
Jeff Pipe	C D Galatis vs ECSA and Others
Prof Majozi	Nicholas William Atkinson vs SACPCM

3.4.8.3.2 Appeal Committee Sitings

Table 42: Appeal Committee Sitings

No	Appeal	Date Lodged	Date of 60 Days Lapse	Date of Decision	Nature of the Appeal	Outcome of the Appeal	Appeal Committee Appointed	Cost of Appeal
1	Katlego Motene vs SACAP (1)	20 February 2020	19 April 2020	28 March 2020	Appellant appealed the sanction imposed by SACAP's Disciplinary Tribunal	Appeal was postponed with an order to interrupt the 60 days' time-limit	Chairperson: Lebogang Stroom-Nzama Generalist: Karl Bailey Specialist: Singalakha Jojo	Chairperson – R 5 400 for the postponement order
2	Sakhile Ngcem vs SACAP (1)	26 February 2020	25 April 2020	17 April 2020	Appellant appealed the sanction imposed by SACAP Disciplinary Tribunal	Appeal was postponed with an order to interrupt the 60 days' time-limit	Chairperson: Rebaone Gaoraelwe Generalist: Darryl Riley Specialist: Eugene Barnard	Chairperson – R 14 400 for the postponement order
3	Renuka Suekiah Ramroop vs SACAP	22 April 2020	20 June 2020	12 June 2020	Appellant appealed a decision of SACAP's Investigating Committee to not prefer charges against a registered person following a complaint	Appeal was dismissed	Chairperson: Khathutshelo Sikhala Generalist: Dr Ron Watermeyer Specialist: Gerard Damstra	Chairperson - R 31 200 Generalist - R 26 250 Specialist - R 16 500

No	Appeal	Date Lodged	Date of 60 Days Lapse	Date of Decision	Nature of the Appeal	Outcome of the Appeal	Appeal Committee Appointed	Cost of Appeal
4	UKZN vs SACQSP (1)	15 May 2020	14 July 2020	3 July 2020	Appellant appealed the withdrawal of accreditation	Appeal was postponed with an order to interrupt the 60 days' time-limit	Chairperson: Adv Boitumelo Mmusinyane Generalist: Tracey Myers Specialist: Prof Majozi	No cost incurred. The appeal committee did not submit any interim invoice
5	Sakhile Ngcem vs SACAP (2)	17 June 2020	16 August 2020	4 August 2020	Appellant appealed the sanction imposed by SACAP's Disciplinary Tribunal	Appeal was upheld. The Appeal Committee varied the sanction imposed by SACAP	Chairperson: Rebaone Gaoraelwe Generalist: Darryl Riley Specialist: Eugene Barnard	Chairperson - R 51 000 Generalist - R 28 875 Specialist - R22 500
6	UKZN vs SACQSP (2)	3 July 2020	2 September 2020	24 August 2020	Appellant appealed the withdrawal of accreditation of an educational programme at UKZN	Appeal was upheld	Chairperson: Adv Boitumelo Mmusinyane Generalist: Tracey Myers Specialist: Prof Majozi	Chairperson- R 51 000 Generalist- R 18 000 Specialist- R25 875

No	Appeal	Date Lodged	Date of 60 Days Lapse	Date of Decision	Nature of the Appeal	Outcome of the Appeal	Appeal Committee Appointed	Cost of Appeal
7	Katlego Motene vs SACAP (2)	5 August 2020	4 October 2020	29 September 2020	Appellant appealed the sanction imposed by SACAP's Disciplinary Tribunal	Appeal was dismissed	Chairperson: Lebogang Stroom-Nzama Generalist: Karl Bailey Specialist: Singalakh Jojo	Chairperson - R 51 000 Generalist - R 42 000 Specialist - R28 500
8	Constantine Dennis Galatis vs ECSA and Others	6 August 2020	5 October 2020	5 October 2020	Appellant appealed a decision ECSA's Investigating Committee to not prefer charges against a registered person following a complaint	Appeal was dismissed	Chairperson: Selema Makubung Generalist: Dr Ron Watermeyer Specialist: Jeff Pipe	Chairperson - R 51 000 Generalist - R 21 000 Specialist - R19 500
9	Nicholas William Atkinson vs SACPCMP	18 September 2020	17 November 2020	17 November 2020	Appellant appealed a decision of the SACPCMP Council to not recognise an international qualification for purposes of registration	Appeal was dismissed	Chairperson: Linda Manyathi Generalist: Karl Bailey Specialist: Prof Majozi	Chairperson -R 46 200 Generalist - R 36 000 Specialist - R 37 500

3.4.8.3.3 ADDITIONAL INFORMATION

A total of seven appeals were lodged during the financial year and two were carried over from the previous financial year. All nine appeals were decided within the statutory period of 60 days.

The number of appeals against CBEP is illustrated in the graph below:

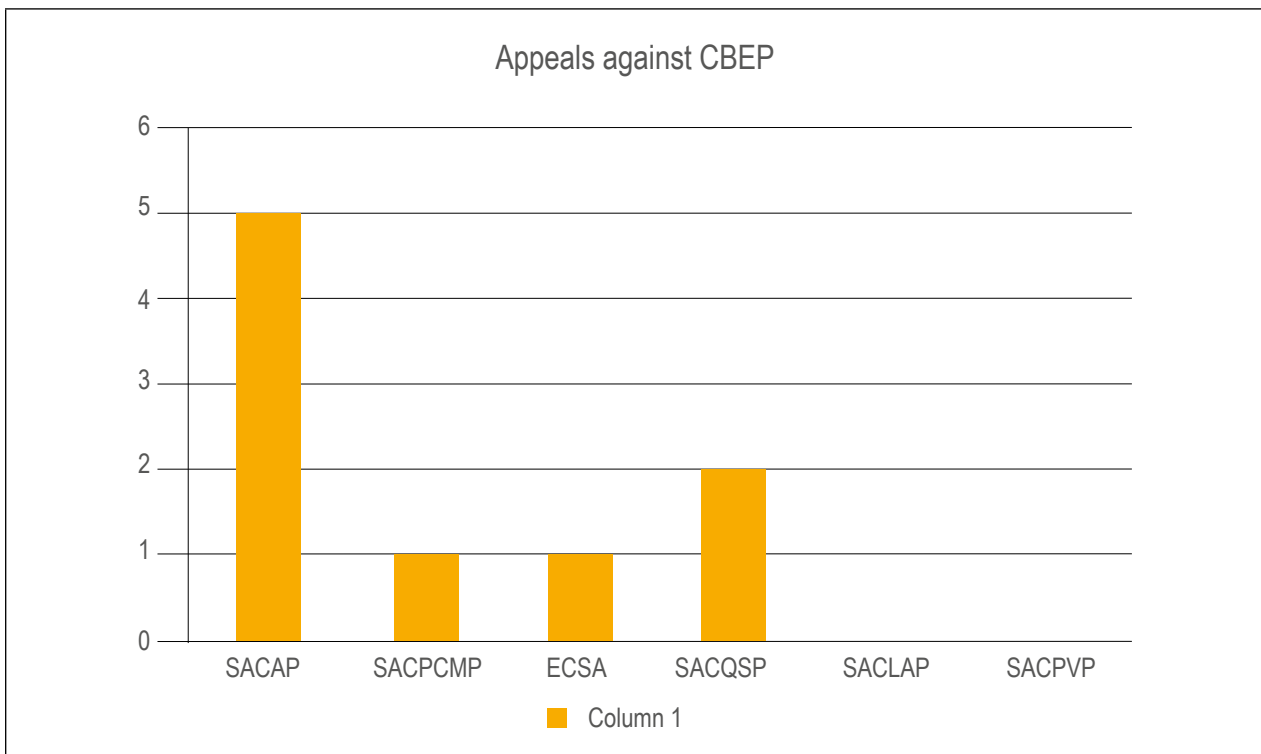


Figure 3: Appeals against CBEP

The comparison of appeals lodged during the previous three financial years appears in the figure below:

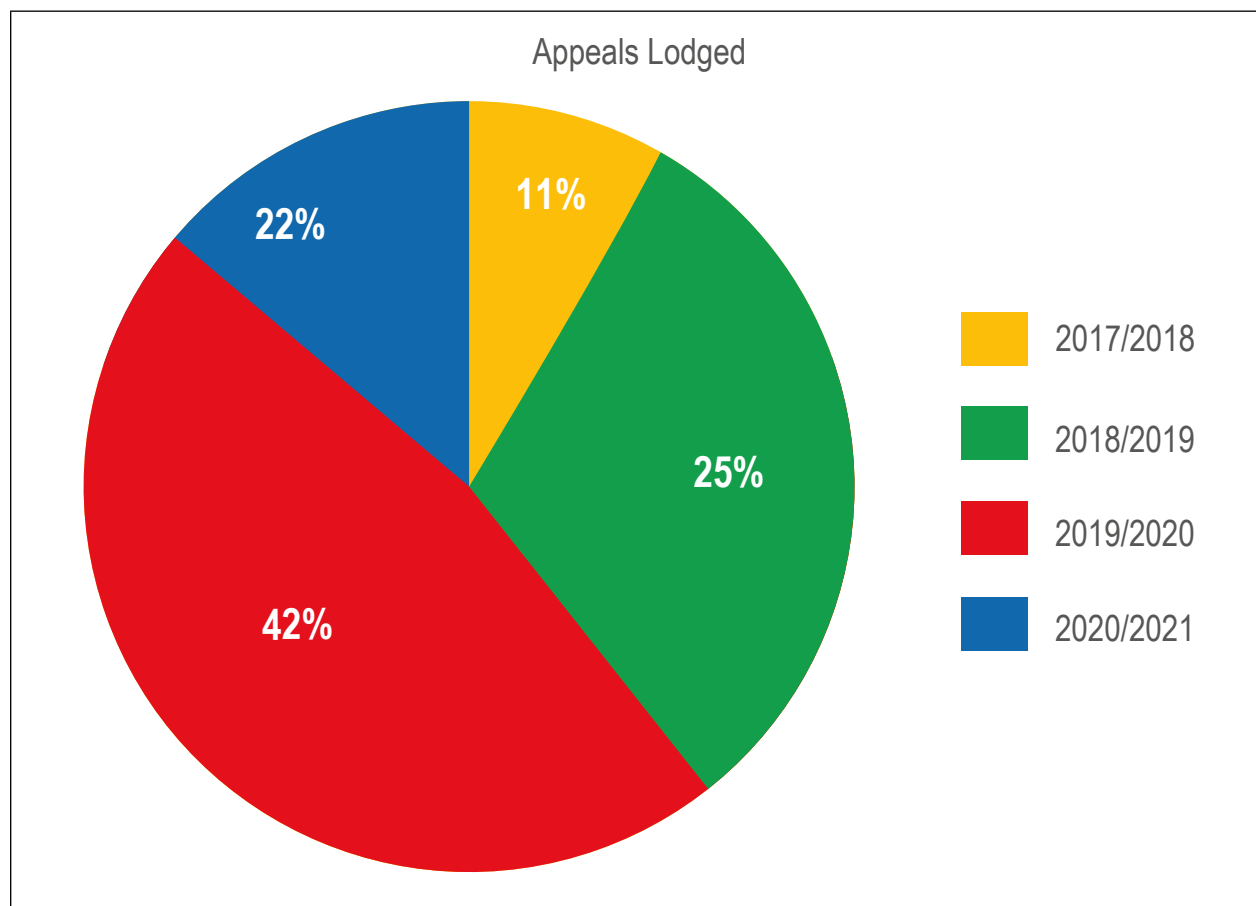


Figure 4: Comparison of Appeals Lodged

The nature of the appeals lodged were:

Table 43: Nature of Appeals Lodged

Nature of Appeals Lodged	Number
Outcomes of disciplinary hearings	4
Refusal of registration applications	1
Decisions of Investigation Committees not to prefer charges against registered persons	2
Withdrawal of accreditation of academic programmes	2

Outcome of appeals:

• Appeals upheld (Ruling in favour of appellant)	0
• Appeals dismissed (in favour of CBEP)	6
• Appeals withdrawn	0
• Appeals postponed	3
• In progress	0

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;
- Monitor compliance with the PFMA in respect of matters relating to the CBE Act;
- Review the adequacy of the working capital by comparing cash focus against the actual;
- Receive reports of fraud relating to the CBE;
- Report on activities of the Committee at every ordinary meeting of the Council;
- Establish an annual work plan to ensure that all relevant matters of the Committee's roles and responsibilities are covered;
- Receive recommendations from the Bid Specification, Bid Evaluation, and Bid Adjudication Committees (BAC) as prescribed in the SCM policy; and
- Take resolutions, make recommendations, receive information and consult as required by the Delegation of Authority (DOA).

(b) With regard to Human Resources

- 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;
- 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;
- Ensure compliance with all employment legislation such as the Employment Equity Act, Labour Relations Act and Basic Conditions of Employment Act, etc.;
- Consider and make recommendations on a formal and transparent procedure for developing a policy on remuneration with particular reference to Senior Management;
- Determine the annual remuneration adjustments for CBE staff; and
- 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.

During the 2020/21 financial year, four scheduled meetings and one special meeting were held, with the following outcomes:

Documents Recommended to Council for Approval:

- (i) 2020/21 Departmental Budget Allocation
- (ii) 2020/21 Covid-19 Budget Adjustment
- (iii) 2020/21 Midterm Budget Review
- (iv) 2020 Cost of Living Increase
- (v) Quarterly Expenditure and Procurement Reports
- (vi) 2021/22 Budget Allocation
- (vii) Reviewing and recommendation of relevant policies

Reports Noted as Standing Items on a Quarterly Basis

- HR Report, Appeal Outcomes, Contract Register, Legal Compliance Report, Annual Financial Statements 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 2020/21 financial year, four BEMC meetings and a workshop were held with the following outcomes:

Documents Recommended to Council for Approval and Noted:

- (i) Quarterly Performance Reports
- (ii) Pursuing unachieved quarterly and annual targets
- (iii) Project Reports
- (iv) IDoW progress
- (v) Transformation Collaborative Committee Reports

Table 44: Transformation Collaborative Committee Meetings

Procurement Policy and Legislation TCC	Women Empowerment and Gender Equality TCC	Occupational Specific Dispensation TCC	Skills and Capacity Development TCC	Health, Safety and Public Protection	National Stakeholder Engagement
29 May 2020	2 June 2020	-	-	-	-
17 June 2020					
-	-	-	23 July 2020	-	-
30 July 2020					
11 August 2020					
8 December 2020					
11 February 2021	-	-	-	12 February 2021	-
18 February 2021					
-	-	-	-	-	4 March 2021

Table 45(a): Fifth Term Council – Committees of Council

STATUTORY COMMITTEES						
EXCO Executive Committee		ARC Audit and Risk Committee	Appeal Committee			
OTHER COMMITTEES						
SEGC Social, Ethics and Governance Committee	FHLC Finance, Human Resources and Legal Committee	BEMC Built Environment Matters Committee				
		Transformation Committee with Transformation Collaborative Committees (TCC) – Sub-Committees of BEMC				
		Procurement Policy and Legislation (PPL)	Women Empowerment and Gender Equality (WEGE)	Occupational Specific Dispensation and Socio-Economic Development (OSD-SED)	Health, Safety and Public Protection (HSPP)	BE Professions Skills and Capacity Development (PSCD)

Table 45(b): Fifth Term Council – Committees Composition and Meetings

Council Committee	Number of Scheduled Meetings	Number of Meetings Convened	Committee Membership	No of Members
EXCO	3	12	Dr SS Dlamini (Chairperson)(Appointed 20 January 2020) KEM Mogodi (Deputy-Chairperson)(Acting Chairperson 28 June 2019 - 19 January 2020) Dr KI Jacobs ZY Makhathini U Exner (Alternate Member)(Resigned 13 January 2021)	5
ARC	5	8	P Stock (External Member) LM Manguku (External Member) Dr L Konar (External Member) Dr P Dala (Council Member)(Resigned 4 January 2021) U Exner (Council Member)(Resigned 13 January 2021)	5
FHLC	4	5	Dr KI Jacobs (Chairperson) NE Hutamo (Deputy Chair) U Exner (Resigned 13 January 2021) JL Margolius HN Molao KEM Mogodi ST Mthembu Dr SS Dlamini	8
BEMC	4	5	ZY Makhathini (Chairperson) KEM Mogodi (Deputy Chair) Dr J Badul Dr CH Deacon GH Meyer H Ndlovu N Qina F Rabada Dr SS Dlamini K Naidoo CV Gamede WO Mothowamodimo	12

Council Committee	Number of Scheduled Meetings	Number of Meetings Convened	Committee Membership	No of Members
COUNCIL	4	15	<p>Dr SS Dlamini (Chairperson)(Appointed 20 January 2020)</p> <p>KEM Mogodi (Deputy-Chairperson) (Acting Chairperson 28 June 2019-19 January 2020)</p> <p>Dr J Badul</p> <p>Dr P Dala (Resigned 4 January 2021)</p> <p>Dr CH Deacon</p> <p>U Exner (Resigned 13 January 2021)</p> <p>NE Hutamo</p> <p>Dr KI Jacobs</p> <p>ZY Makhathini</p> <p>JL Margolius</p> <p>GH Meyer</p> <p>HN Molao</p> <p>ST Mthembu</p> <p>H Ndlovu</p> <p>N Qina</p> <p>F Rabada</p> <p>K Naidoo</p> <p>CV Gamede</p> <p>WO Mothowamodimo</p>	19

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

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

Table 46(a): Council Remuneration

Designation	Preparatory Time	Per Hour	Per Day
Chairperson	Council 5 hours Special Council 3 hours EXCO 3 hours	R581	R4,646
Deputy Chairperson	Council 5 hours Special Council 3 hours EXCO 3 hours	R493	R3,943
Chairpersons of Committees	Council 5 hours Special Council 3 hours EXCO 3 hours ARC 3 hours FHLC 3 hours BEMC 3 hours	R493	R3,943
Members of Council / Committees	Council 5 hours EXCO 3 hours ARC 3 hours FHLC 3 hours BEMC 3 hours	R459	R3,669

Table 46(b): Fifth Term Council Remuneration

Name	Remuneration R'000	Other Allowance R'000	Other Reimbursements R'000	Total R'000
Dr SS Dlamini (Chairperson) (Appointed 20 January 2020)	563	10	1	574
KEM Mogodi (Deputy Chairperson) (Acting Chairperson 28 June 2019- 19 January 2020)	324	9	1	334
Dr J Badul	-	-	-	-
Dr P Dala (Resigned 4 January 2021)	96	3	-	99
Dr CH Deacon	59	2	-	61
U Exner (Resigned 13 January 2021)	107	3	-	110
NE Hutamo	-	3	-	3
Dr KI Jacobs	230	6	-	236
ZY Makhathini	-	5	-	5
JL Margolius	87	3	-	90
GH Meyer	89	3	-	92
HN Molao	33	2	-	35
ST Mthembu	89	3	-	92
H Ndlovu	-	3	-	3
N Qina	111	4	-	115
F Rabada	-	2	-	2
K Naidoo (Appointed 20 January 2020)	134	5	-	139
CV Gamede (Appointed 20 January 2020)	-	1	-	1
WO Mothowamodimo (Appointed 20 January 2020)	-	2	-	2
Audit and Risk Committee				
P Stock (External Member) (Chairperson)	386	3	-	389
LM Manguku (External Member)	130	1	-	131
Dr L Konar (External Member)	91	1	-	92

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 are 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) and Rakoma & Associate Inc (Rakoma) 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) Fourth Quarter Performance Review 2019/20
- (ii) Levy Income Verification
- (iii) Review of 2019/20 AFS and APR

3.7 Internal Audit Function

The CBE's internal auditor's, O.M.A. contract came to an end on 30 June 2020, and the appointment of internal auditor Rakoma and Associates Inc (Rakoma) was approved by Council on 29 June 2020. The internal auditor 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 External Auditor and Internal Audit
- (v) IT Security Review

- (vi) O.M.A. Close Out Report
- (vii) Rakoma Internal Audit Plan
- (viii) Review of the Delegation of Authority Policy
- (ix) Human Resources Management
- (x) Corporate Governance
- (xi) Fraud and Risk Management
- (xii) Risk Register Review
- (xiii) Supply Chain Management
- (xiv) ICT Review
- (xv) Financial Management
- (xvi) Legal Compliance Review
- (xvii) Review of ARC Self-Assessments

Challenges during the financial year:

- (i) Management action and reaction to findings raised should be more immediate.

Recommendations:

- (i) Follow-up audits are conducted on time to determine whether management is addressing audit findings and to prevent the same recurring in future
- (ii) Continue to perform quarterly reviews on Performance Information prior to its submission to DPWI. The results of these reviews should continue to be presented at the ARC meeting
- (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 APP and Strategic Plan before submission to the Executive Authority to ensure that indicators and outcomes are SMART⁹ 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 47: Disclosure of ARC Members

Name	Qualifications	Internal or External	Date Appointed	End of Contract	No of ARC Meetings Attended	No of Other Meetings Attended
P Stock	CA	External	11 April 2019	10 April 2023	8	21
LM Mangquku	CA	External	11 April 2019	10 April 2023	8	2
Dr L Konar	CA	External	11 April 2019	10 April 2023	8	1
U Exner		Fifth Term Council Member	1 November 2018	Resigned 13 January 2021	6	
Dr P Dala		Fifth Term Council Member	1 November 2018	Resigned 4 January 2021	6	

⁹ (S=short; M=measurable; A=achievable; R=realistic; T=time-bound)

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 a Delegation of Authority Framework, approved on 10 March 2020.

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. During the year under review, the CBE utilised 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 circulates a fraud incident report on a quarterly basis.

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 to the organisation's expectations of them. Any 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 conducts scheduled and impromptu emergency evacuation drills.

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 this 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) 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 Committee Report

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2021. The report details its responsibilities in terms of section 51 (1)(a)(ii) of the PFMA and Treasury Regulation 27.1.

Audit and Risk Committee Responsibility

The Audit and Risk Committee adopted appropriate, formal Terms of Reference as its Audit and Risk Committee Charter. It regulated its affairs in compliance with this Charter and discharged its responsibilities contained therein.

The Charter is updated regularly and complies with the principles of good governance as per King IV™ and the requirements of the PFMA. The ARC is accountable to the Council and performs an oversight function over:

- (i) Financial management
- (ii) ICT governance
- (iii) Risk management
- (iv) Compliance with laws, regulations and ethical conduct
- (v) Financial and Performance Reporting practices
- (vi) External Audit
- (vii) Internal Audit

Activities of the Audit and Risk Committee

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

- (i) Reviewed quarterly management reports
- (ii) Revised Audit and Risk Committee Charter for Council Approval
- (iii) Reviewed and approved the revised Internal Audit Charter
- (iv) Considered the risk management process
- (v) Considered the Internal Audit plans and reports and made recommendations as appropriate
- (vi) Monitored progress with the Internal Audit coverage plans as well as management's follow-up on matters requiring attention
- (vii) Monitored compliance with CBE policies, procedures and applicable legislation
- (viii) Conducted separate informal meetings with management, and internal and external audit
- (ix) Reviewed External Audit plans, reports and management's follow-up of matters requiring attention
- (x) Evaluated the Internal Audit, external audit and finance functions
- (xi) Provided guidance to Council on ICT governance issues and alignment to applicable legislation and frameworks
- (xii) Some progress has been made with ICT challenges experienced during the course of the financial year, but the IT deficiencies remain of concern
- (xiii) Conducted a self-assessment. 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

The table below records the ARC meeting attendance:

Table 48: ARC Meeting Attendance

Members	Number of ARC Meetings Attended
Ms P Stock (External Member)(Chairperson)	8/8
Mr LM Mangquku (External Member)	8/8
Dr L Konar (External Member)	8/8
Ms U Exner (CBE Fifth Term Council Member)(Resigned 13 January 2020)	6/6
Dr P Dala (CBE Fifth Term Council Member)(Resigned 4 January 2020)	6/6
Ms ST Mthembu (CBE Fifth Term Council Member)(Appointed to ARC by Council on 10 March 2021)(First ARC meeting attended 21 April 2021)	0

The Effectiveness of Internal Control

An enterprise risk management process is in place. The CBE's major risks are managed efficiently; however, some areas require improvement as reported by the internal auditors. The system of internal control was partially adequate and partially effective for the year under review, largely due to the ICT control weaknesses. The internal and external auditors reported some deficiencies in the design and implementation of the system of internal control. The Audit and Risk Committee however, based on the reports of the internal and external auditors, is of the opinion that the internal control system continues to improve.

The internal audit function of CBE is outsourced to Rakoma, who operates objectively and independently. The following internal audit engagements were completed during the year under review:

- (i) Review Internal Audit and Audit and Risk Committee Charters
- (ii) Review GRAP Compliance in Unaudited Financial Statements
- (iii) Review performance information against objectives in Quarterly Reports
- (iv) Follow up on findings raised by external auditors and Internal Audit
- (v) IT Security Review
- (vi) Three year and annual Internal Audit Plan
- (vii) Review of the Delegation of Authority Policy
- (viii) Human Resources Management
- (ix) Corporate Governance
- (x) Fraud and Risk Management
- (xi) Risk Register Review
- (xii) Supply Chain Management
- (xiii) ICT Review
- (xiv) Financial Management
- (xv) Legal Compliance Review

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

- (a) Inconsistent alignment of Project Scopes to the APP to ensure targets were achieved
- (b) Inconsistent proof of evidence in performance information; not aligned to technical indicators
- (c) Risk Management improvement required in some areas
- (d) Management's action and remediation to findings raised should be more immediate
- (e) IT governance

In-Year Management and Monthly/Quarterly Report

As a public entity, the CBE reports monthly and quarterly to the Executive Authority and National Treasury, as is required by the PFMA. The Audit and Risk Committee reported 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.

The external auditors' appointment, Nexia SAB&T was approved by Council on 29 June 2020.

Evaluation of the Financial Statements and Annual Performance Report

The Audit and Risk Committee has:

- (a) Satisfied itself with the process followed for the re-appointment of the external auditors (Nexia SAB&T) for the audit of the year ended 31 March 2020, as concurred by the AGSA
- (b) Reviewed with the external auditors the audited financial statements to be included in the Annual Report
- (c) Reviewed the reported performance against the predetermined objectives and noted with concern targets not achieved, with IT-related performance a repeat area of non-achievement
- (d) Reviewed the external auditors' management report and the adequacy of management's response thereto
- (e) Reviewed adjustments resulting from the audit
- (f) Reviewed the external auditor's reported opinion on financial statements and conclusions on audit of performance against the predetermined objectives and compliance
- (g) Reviewed and confirmed the independence of external auditors

Auditor's Report

The Audit and Risk Committee concurs and accepts the opinion of the external auditor on the annual financial statements and conclusion on the annual performance report and compliance 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: Council for the Built Environment

Date: 31 May 2021



PART D

HUMAN RESOURCE MANAGEMENT





4. Human Resource Management

4.1 Introduction

This report responds to the Human Resource Management part which covers an analysis on the Human Resources portfolio and oversight statistics as per National Treasury's Annual Report guide for Schedule 3A and 3C Public Entities.

Human Resources (HR) matters cover areas such as:

- (i) advice, consultation and support in ensuring equitable compensation
- (ii) fair labour practice
- (iii) transparent recruitment and selection performance management and development systems
- (iv) training and development
- (v) continuous monitoring of legislation updates
- (vi) policy gaps

The Human Resources team continues to support Executive Management and is always available to all departments to provide advice and support with implementation of various policies and procedures. The department continues to ensure adequate skilled and suitable capacity is maintained throughout the organisation.

HR Priorities and its Impact for the Year Under Review

One of the key focus areas was CBE Business Value Re-engineering which rolled out as the following projects:

- (i) Business Process Management - a review of high level processes and developing a procedure manual
- (ii) Organisational structure review - due to unforeseen delays, the process was not finalised by the end of financial year and is set for completion at the beginning of the next financial year
- (iii) On-line self-service performance management and development system - experienced technical glitches which delayed its launch. The system is now ready for use at the beginning of the next financial year.

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

According to progress made at the end of the reporting period, the Organisational Structure and Redesign project promises to resolve capacity problems experienced in the past. Whilst the process has not been finalised, the draft proposed structure will achieve an operating model which will move the CBE to an effective higher level of work organisation. The restructuring also attempts to incorporate and elevate the function of much-needed industry transformation as well as optimisation of capacity through shared services with the CBEP.

Work experience was offered through appointment of interns within the SCM, Skills and Knowledge Management and IT (KMIT) departments.

Employee Performance Management Framework

All employees submitted performance agreements by 30 April 2020. Three out of four quarterly performance reviews were moderated whilst the fourth quarter awaits confirmation of organisational performance by the Nexia SAB&T Inc.

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 wellbeing of employees remains a priority. A new Employment Assistance Programme service provider was appointed. All employees attended the launch new services session and are regularly alerted of the wellness service offering through circulation of daily and monthly awareness articles and posters.

Among wellness days were certificated training on Covid-19 Awareness for all staff.

Covid-19 work readiness plans were developed to comply with Regulations. Office based employees returned to the office at the beginning of Alert Level 03, whilst those who are able to work remotely continued to do so during Alert Level 01.

Policy Development and Reviews

Consultations were held with all employees and employee representative structures on development and review of HR policies. It is expected that these will be approved as submitted by the first quarter of the next financial year.

Achievements

An all-inclusive Employment Equity Committee was elected and appointed through a consultative process.

All statutory plans were successfully submitted to CETA and the Department of Labour.

Challenges

- (i) Implementation of the training plan: Scheduled training was cancelled due to budget cuts. Educational assistance and professional membership fees were supported as committed
- (ii) Approval of the proposed organisational structure: There were lengthy consultations with Management, Employee Representatives, Accounting Authority and the Executive. Finalisation of the process is dependent on consensus by all stakeholders and has hence been rolled over to the next financial year
- (iii) Vacant positions remained unfilled pending the finalisation of the redesigned organisational structure

Future HR Plans / Goals

- (i) Business Process Management project has been extended to include internal and external stakeholders as well as to ensure compliance with International Standards
- (ii) Organisational Design project has also been extended for finalisation and a staggered implementation plan to be developed for implementation over the next five years
- (iii) Revision of the Moderating Structure for Performance Management and Development System

4.2 Human Resources Oversight Statistics

Table 49: Personnel Cost per Programme

Programme	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure [% of Total Expenditure]	No of Employees	Average Personnel Cost per Employee (R'000)
Programme 1: Administration	50 388	19 728	39.15%	26	759
Programme 2: Skills for Infrastructure Delivery	49	6110	12 469.39%	6	1018
Programme 3: BE Research, Information and Advisory	1 165	3 165	271.67%	4	791
Programme 4: Regulation and Oversight of six BEPCs	14	2 067	14 764.29%	3	689
Programme 5: Government Policies and Priorities	652	-	-	-	-
TOTAL	52 268	31 070	59.44%	39	797

Table 50: Personnel Cost per Salary Band

Level	Personnel Expenditure (R'000)	Personnel Expenditure [% of Total Personnel Cost (R'000)]	No of Employees	Average Personnel Cost per Employee (R'000)
Top Management	4 693	15.10%	3	1 564
Senior Management	10 709	34.47%	8	1 339
Professionally Qualified	5 579	17.96%	6	930
Skilled	4 827	15.54%	6	805
Semi-skilled	4 235	13.63%	10	424
Unskilled	359	1.16%	2	180
Temporary	667	2.15%	3	222
TOTAL	31 070	100.0%	38	818

Table 51: Performance Rewards

Level	Performance Rewards	Personnel Expenditure (R'000)	Performance Rewards (% of Total Personnel Cost)
Top Management	0	4 693	0.00%
Senior Management	0	10 709	0.00%
Professionally Qualified	26	5 579	0.47%
Skilled	0	4 827	0.00%
Semi-skilled	0	4 235	0.00%
Unskilled	0	359	0.00%
Temporary	0	667	0.00%
TOTAL	26	31 070	0.08%

Table 52: Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure (% of Personnel Cost)	No of Employees Trained	Average Training Cost per Employee
Programme 1: Administration	19 728	143	0.72%	7	20
Programme 2: Skills for Infrastructure Delivery	6 110	3	0.05%	1	3
Programme 3: BE Research, Information and Advisory	3 165	0	0.00%	0	0
Programme 4: Regulation and Oversight of six CBEP	2 067	26	1.26%	2	13
Programme 5: Government Policies and Priorities	-	0	0.00%	0	0
TOTAL	31 070	172	0.55%	10	17

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.

Table 53: Employment and Vacancies per Programme

Programme/Activity/ Objective	2019/20 No of Employees	2020/21 Approved Posts	2020/21 No of Employees	2020/21 Vacancies	% Vacancies
Programme 1: Administration	27	27	24	3	11.11%
Programme 2: Skills for Infrastructure Delivery	6	6	6	0	0.00%
Programme 3: BE Research, Information and Advisory	4	4	3	1	25.00%
Programme 4: Regulation and Oversight of six CBEP	3	3	2	1	33.33%
Programme 5: Government Policies and Priorities	0	0	0	0	0.00%
TOTAL	40	40	35	5	12.50%

Table 54: Employment and Vacancies per Level

Level	2019/20 No of Employees	2020/21 Approved Posts	2020/21 No of Employees	2019/20 Vacancies	% Vacancies
Top Management	3	3	3	0	0.00%
Senior Management	9	9	8	1	11.11%
Professional Qualified	8	8	6	2	25.00%
Skilled	6	6	6	0	0.00%
Semi-skilled	12	12	10	2	16.67%
Unskilled	2	2	2	0	0.00%
TOTAL	40	40	35	5	12.50%

The five vacant positions are as follows:

Table 55: Vacancies

Position	Department	Status / Way Forward
1. Company Secretary	Secretariat	This is an unfunded role, currently undertaken by the Manager: Regulations and Legal Services
2. Senior Researcher	Research and Policy	Position is vacant and on hold while an organisational structure review is in progress
3. 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 an organisational structure review is in progress
4. Legal Compliance Officer	Regulations and Legal Services	Position remains vacant. Recruitment is on hold while an organisational structure review is in progress
5. Senior IT Technician	Knowledge Management and IT	Position remains vacant. Recruitment is on hold while an organisational structure review is in progress

Employment Changes

No changes were recorded during the financial year.

Table 56: Employment Changes

Level	Employment: Beginning of 2020/21 FY	Appointments	Terminations	Employment: End of 2020/21 FY
Top Management	3	0	0	3
Senior Management	8	0	0	8
Professionally Qualified	6	0	0	6
Skilled	6	0	0	6
Semi-skilled	10	0	0	10
Unskilled	2	0	0	2
Total	35	0	0	35

Table 57: Reasons for Staff Leaving

Reason	Number	Percentage of Total Staff Leaving
Death	0	0.0%
Resignation	0	0.0%
Dismissal	0	0.0%
Retirement	0	0.0%
Ill health	0	0.0%
Expiry of contract	0	0.0%
Promotion/Upgrade	0	0.0%
Total	0	0.0%

Table 58: Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Suspension	1
Dismissal	0

Table 59: 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	3	0	0	0	0	2	1
Professionally Qualified	2	3	0	1	0	1	0	0
Skilled	1	3	0	0	0	0	0	0
Semi-skilled	2	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	9(81.8)	10(76.9)	0 (0.0)	1(7.7)	0(0.0)	1(7.7)	2 (18.2)	1 (7.7)

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	1	0
Senior Management	2	4	0	0	0	0	1	1
Professional Qualified	3	5	0	2	1	1	0	0
Skilled	3	8	0	0	1	1	1	1
Semi-skilled	6	1	1	1	0	0	1	0
Unskilled	2	2	0	0	0	0	0	0
TOTAL	17(70.8)	21(74.1)	1(4.2)	3(1.1)	2(8.3)	2(7.4)	4 (16.7)	2(7.4)

Level	DISABLED			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional 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.

PART E

FINANCIAL INFORMATION





5. Financial Information

5.1 Independent auditor's report to Parliament on the Council for the Built Environment

Opinion

1. We have audited the financial statements of the Council for the Built Environment set out on pages 151 to 201, which comprise the statement of financial position as at 31 March 2021, 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 2021, 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 Council in accordance with Independent Regulatory Board for Auditors' Code of Professional Conduct for Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (Including International Independence Standards).
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of accounting authority for the financial statements

6. 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.
7. 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

8. 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.

9. 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

10. 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.
11. 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.
12. 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 2021:

Programme	Pages in the annual performance report
Programme 3 – Skills and Capacity Development	58 – 68

13. 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.
14. We did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – Skills and Capacity Development

Other matter

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

Achievement of planned targets

16. Refer to the annual performance report on pages 36 to 90 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

17. 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.
18. 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

19. 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 has been specifically reported in this auditor's report.
20. 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 on it.
21. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
22. 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

23. 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

24. 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

25. An independent consultant is investigating the following allegations. The investigations are still ongoing at the date of this report:
- Exceeding 15% of contract value extension without prior approval from National Treasury in relation to the appointment of a legal service provider in prior periods.
 - An investigation into allegations of misconduct by former key personnel and former Council members.
26. 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. A case was opened at SAPS on 6 June 2016. The outcome of the investigation is still outstanding.
27. An independent consultant investigated four alleged incidents of irregular expenditure. The final report was issued, and disciplinary actions are underway at the date of this report.

Auditor tenure

28. We report that Nexia SAB&T has been the auditor of the Council for the Built Environment for 2 years.

Nexia SAB&T

Nexia SAB&T

Per: Caroline Chigora

Director

Registered Auditor

31 July 2021

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:
 - 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.
 - 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 Council’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
 - 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.
 - 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 provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, related safeguards applied.

Accounting Authority's Responsibilities and Approval

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

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

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

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

The CBE Council have reviewed the CBE's cash flow forecast for the year to 31 March 2022 and, in the 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 annual financial statements are prepared on the basis that the CBE is a going concern and that DPWI has neither the intention nor the need to liquidate or curtail materially the scale of the CBE.

The external auditors are responsible for independently reviewing and reporting on the CBE's annual financial statements. The annual financial statements have been examined by the CBE's external auditors and their report is presented on page 144.

The annual financial statements set out on page 151, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 May 2021 and were signed on its behalf by:



Dr Sitsabo Dlamini

Chairperson: Council for the Built Environment

Statement of Financial Position as at 31 March 2021

Figures in Rand thousand	Note	2021	2020
Assets			
Current Assets			
Cash and cash equivalents	3	9 423	5 688
Other financial assets	4	2	2
Receivables from exchange transactions	5	340	3 565
Receivables from non-exchange transactions	6	147	800
		9 912	10 055
Non-Current Assets			
Property, plant and equipment	7	3 414	4 196
Intangible assets	8	1 811	1 455
Other financial assets	4	97	92
		5 322	5 743
Total Assets		15 234	15 798
Liabilities			
Current Liabilities			
Finance lease obligation	9	69	56
Operating lease liability	10	1 646	1 063
Payables from exchange transactions	11	4 586	3 770
Provisions	12	882	786
		7 183	5 675
Non-Current Liabilities			
Finance lease obligation	9	70	140
Operating lease liability	10	-	1 646
Provisions	12	-	187
		70	1 973
Total Liabilities		7 253	7 648
Net Assets		7 981	8 150
Accumulated surplus		7 981	8 150
Total Net Assets		7 981	8 150

Statement of Financial Performance

Figures in Rand thousand	Note	2021	2020
Revenue			
Revenue from exchange transactions			
Partnership funding revenue		440	4 391
Other income		-	25
Insurance proceeds		290	-
Interest received - investment		481	921
Total revenue from exchange transactions		1 211	5 337
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies		48 813	52 796
Levies		2 075	2 110
Total revenue from non-exchange transactions		50 888	54 906
Total revenue	13	52 099	60 243
Expenditure			
Employee costs	14	(31 487)	(30 238)
Governance Committees' remuneration	15	(2 631)	(1 880)
Depreciation and amortisation	16	(1 921)	(2 015)
Finance costs	17	(51)	(35)
Lease rentals on operating lease	18	(5 849)	(5 849)
Bad debts written off		-	(1)
Auditor's remuneration		(1 156)	(1 107)
Loss on disposal of assets and liabilities		(14)	(147)
General expenses	19	(6 023)	(5 868)
Computer expenses		(742)	(522)
Consulting and professional fees		(1 275)	(2 677)
Intern stipend payments		135	(5 456)
Mentor fees		(803)	(2 191)
Travel - local		(451)	(2 884)
Total expenditure		(52 268)	(60 870)
Deficit for the year		(169)	(627)

Statement of Changes in Net Assets

Figures in Rand thousand	Accumulated surplus	Total net assets
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 01 April 2020	8 150	8 150
Changes in net assets		
Deficit for the year	(169)	(169)
Total changes	(169)	(169)
Balance at 31 March 2021	7 981	7 981

Cash Flow Statement

Figures in Rand thousand	Note	2021	2020
Cash flows from operating activities			
Receipts			
Cash receipts from customers		3 718	3 019
Grants		48 813	52 796
Interest income		470	920
Other cash items	27	29	21
		53 030	56 756
Payments			
Payments to employees and suppliers		(48 180)	(59 087)
Finance costs		(35)	(28)
		(48 215)	(59 115)
Net cash flows from operating activities	20	4 815	(2 359)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(404)	(128)
Proceeds from sale of property, plant and equipment	7	-	10
Purchase of other intangible assets	8	(589)	(563)
Payments for capitalised development costs	8	-	(667)
Receipts from financial assets		6	11
Net cash flows from investing activities		(987)	(1 337)
Cash flows from financing activities			
Finance lease payments		(93)	(107)
Net increase/(decrease) in cash and cash equivalents		3 735	(3 803)
Cash and cash equivalents at the beginning of the year		5 688	9 491
Cash and cash equivalents at the end of the year	3	9 423	5 688

Statement of Comparison of Budget and Actual Amounts

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	-	440	440	3 071	2 631	31.1
Other income	-	29	29	-	(29)	
Insurance proceeds	-	-	-	28	28	
Interest received	997	(552)	445	470	25	
Total revenue from exchange transactions	997	(83)	914	3 569	2 655	
Revenue from non- exchange transactions						
Transfer revenue						
Government grants and subsidies	55 224	(6 411)	48 813	48 813	-	
Levies	2 483	(2 483)	-	647	647	31.2
Total revenue from non-exchange transactions	57 707	(8 894)	48 813	49 460	647	
Total revenue	58 704	(8 977)	49 727	53 029	3 302	
Expenditure						
Employee costs	(32 876)	2 427	(30 449)	(30 267)	182	
Governance committees' remuneration	(1 320)	(777)	(2 097)	(2 494)	(397)	31.3
Lease rentals on operating lease	(6 913)	-	(6 913)	(6 337)	576	31.4
Auditor's remuneration	(1 620)	447	(1 173)	(1 156)	17	
General expenses	(6 387)	2 002	(4 385)	(3 846)	539	31.5
Computer expenses	(2 755)	1 453	(1 302)	(780)	522	31.6
Consulting and professional fees	(3 945)	1 996	(1 949)	(1 884)	65	
Intern stipend payments	-	-	-	(484)	(484)	31.7
Mentor fees	(150)	(599)	(749)	(432)	317	31.8
Travel - Local	(2 738)	2 028	(710)	(535)	175	
Total expenditure	(58 704)	8 977	(49 727)	(48 215)	1 512	
Operating surplus	-	-	-	4 814	4 814	
Statement of Financial Position						
Assets						
Non-Current Assets						
Property, plant and equipment	-	-	-	(404)	(404)	31.9
Intangible assets	-	-	-	(589)	(589)	31.9
Total Assets	-	-	-	(993)	(993)	

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

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

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

Accounting Policies

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.

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.

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.

Accounting Policies

1.5 Property, plant and equipment (continued)

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.

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.

Accounting Policies

1.5 Property, plant and equipment (continued)

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
Leasehold 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.

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's 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; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations

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

Accounting Policies

1.6 Intangible assets (continued)

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.

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.

Accounting Policies

1.6 Intangible assets (continued)

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.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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).

Accounting Policies

1.7 Financial instruments (continued)

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

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

Accounting Policies

1.7 Financial instruments (continued)

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
- 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.

Accounting Policies

1.7 Financial instruments (continued)

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.

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.

Accounting Policies

1.7 Financial instruments (continued)

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.

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.

Accounting Policies

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)

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

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.

Accounting Policies

1.8 Statutory receivables (continued)

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 is 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.

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.

Accounting Policies

1.8 Statutory receivables (continued)

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

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

Accounting Policies

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.

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 or
- the number of production or similar units expected to be obtained from the asset by the entity

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.

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

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 or
- an employee's decision to accept voluntary redundancy in exchange for those benefits

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

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

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

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

Accounting Policies

1.11 Employee benefits (continued)

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 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 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

The entity classifies a multi-employer plan 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 in the same way as for any other defined contribution plan.

Accounting Policies

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.

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 22.

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.

Accounting Policies

1.12 Provisions and contingencies (continued)

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.

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.

Accounting Policies

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 regulation, 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.

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.

Accounting Policies

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 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.

1.17 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.

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.

Accounting Policies

1.17 Irregular expenditure (continued)

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.

1.18 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 2020/04/01 to 2021/03/31.

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

1.19 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 so as 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).

Accounting Policies

1.19 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 those family members who may be expected to influence, or be influenced by that person 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 annual financial statements.

1.20 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:

- 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.

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (amended): Employee benefits	Yet to be determined	Unlikely there will be a material impact
• GRAP 104 (amended): Financial Instruments	Yet to be determined	Unlikely there will be a material impact
• Guideline: Guideline on Accounting for Landfill Sites	Yet to be determined	No impact

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	15	18
Bank balances	1 129	2 394
Short-term deposits	6 065	1 117
Other secured cash and cash equivalents	2 214	2 159
	9 423	5 688

A bank guarantee has been issued to the value of R1.863 million in favour of the Landlord 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	9 423	5 688

4. Other financial assets

At amortised cost

DK Pitse	99	94
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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	97	92
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Current assets

At amortised cost	2	2
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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 2021, R 98 698 (2020: R -) were past due but not impaired.

One-month past due	99	-
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Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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5. Receivables from exchange transactions

Trade receivables	340	2 971
Prepaid expenses	-	594
	340	3 565

Other non-financial asset receivables included in receivables from exchange transactions above are as follows:

Prepaid expenses	-	594
Financial asset receivables included in receivables from exchange transactions above	340	2 971
Total receivables from exchange transactions	340	3 565

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 2021, R 340 000 (2020: R 597 508) were past due but not impaired.

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

Two months past due	-	598
Three months past due	340	-
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	-	(29)
Amounts written off as uncollectible	-	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.

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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6. Receivables from non-exchange transactions

Levies	142	788
Other receivables from non-exchange revenue	5	12
	147	800

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

Fees charged in terms of legislation	142	788
Financial asset receivables included in receivables from non-exchange transactions above	5	12
Total receivables from non-exchange transactions	147	800

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.

During the current financial year, Council took a resolution on 25 November 2020 to provide the Councils for the Built Environment Professions (CBEP) with a 100% debt relief, due to the financial pressures they are facing.

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 CBEP 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 past due but not impaired

At 31 March 2021, R 141 813 (2020: R -) were past due but not impaired.

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

Three months past due	142	-
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Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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6. Receivables from non-exchange transactions (continued)

Receivables from non-exchange transactions impaired

As of 31 March 2021, other receivables from non-exchange transactions of R - (2020: R 822) were impaired and provided for.

The amount of the provision was R - as of 31 March 2021 (2020: R 822).

The ageing of these loans is as follows:

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

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

7. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	2 447	(1 249)	1 198	2 183	(1 061)	1 122
Office equipment	1 455	(966)	489	1 379	(803)	576
IT equipment	3 308	(2 283)	1 025	3 013	(1 904)	1 109
Leasehold improvements	3 313	(2 639)	674	3 313	(1 973)	1 340
Signage	103	(75)	28	103	(54)	49
Total	10 626	(7 212)	3 414	9 991	(5 795)	4 196

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 122	264	-	(188)	1 198
Office equipment	576	76	-	(163)	489
IT equipment	1 109	325	(14)	(395)	1 025
Leasehold improvements	1 340	-	-	(666)	674
Signage	49	-	-	(21)	28
	4 196	665	(14)	(1 433)	3 414

Notes to the Annual Financial Statements

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 294	-	(1)	(171)	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	(170)	(1 582)	4 196

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.

Assets subject to finance lease (Net carrying amount)

Office equipment	125	193
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8. Intangible assets

	2021			2020		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 683	(872)	1 811	2 888	(1 433)	1 455

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Work in progress	Amortisation	Total
Computer software, other	1 455	813	31	(488)	1 811

Reconciliation of intangible assets - 2020

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

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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8. Intangible assets (continued)

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 21.

9. Finance lease obligation

Minimum lease payments due		
- within one year	91	91
- in second to fifth year inclusive	76	168
	167	259
less: future finance charges	(28)	(63)
Present value of minimum lease payments	139	196
Present value of minimum lease payments due		
- within one year	69	56
- in second to fifth year inclusive	70	140
	139	196
Non-current liabilities	70	140
Current liabilities	69	56
	139	196

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

The average lease term was three years and the average effective borrowing rate was 22% (2020: 25%).

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.

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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10. Operating lease liability

Non-current liabilities	-	1 646
Current liabilities	1 646	1 063
	1 646	2 709

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 it 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.

11. Payables from exchange transactions

Trade payables	1 635	383
Leave accrual	1 482	1 006
Accrued 13th cheque	215	211
Accrued expenses	1 254	2 170
	4 586	3 770

12. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Bonus related provision	366	389	(285)	(80)	-	390
Provision for dismantling	210	-	-	-	16	226
Provision for general expenses	397	7	(3)	(135)	-	266
	973	396	(288)	(215)	16	882

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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12. Provisions (continued)

Reconciliation of provisions - 2020

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

Non-current liabilities

Current liabilities

-	187
882	786
882	973

During the current year, the CBE raised a provision for bonus payment in relation to performance bonus for the performance period 1 April 2020 to 31 March 2021. The provision for bonus payment is prepared on the basis of prior year's actual performance. The entity's performance has been assessed to be in line with the historic trends, 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 2020/21 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 provision for general expenses relates to services where there is uncertainty regarding the timing or amount of the expenses.

13. Revenue

Partnership Funding	440	4 391
Other income	-	25
Insurance proceeds	290	-
Interest received	481	921
Government grants and subsidies	48 813	52 796
Levies	2 075	2 110
	52 099	60 243

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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13. Revenue (continued)

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

Partnership Funding	440	4 391
Other income	-	25
Insurance proceeds	290	-
Interest received	481	921
	1 211	5 337

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

Transfer revenue

Government grants and subsidies	48 813	52 796
Levies	2 075	2 110
	50 888	54 906

14. Employee related costs

Basic	25 918	25 198
Medical aid - company contributions	1 474	1 456
UIF	128	130
Defined contribution plans	3 466	3 365
Leave pay accrual charge	477	230
Bonus	24	(141)
	31 487	30 238

Remuneration of Chief Financial Officer (L Jansen van Vuuren)

Annual Remuneration	1 228	1 097
Contributions to UIF, Medical and Pension Funds	4	4
Housing allowance	17	16
Subsistence and travel	232	309
Telephone allowance	9	9
	1 490	1 435

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.

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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14. Employee related costs (continued)

Remuneration of Chief Operations Officer (M Mongane)

Annual Remuneration	1 204	1 102
Contributions to UIF, Medical and Pension Funds	179	227
Housing allowance	17	16
Subsistence and travel	78	105
Telephone allowance	9	9
	1 487	1 459

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. A resignation request was received from the COO on 27 May 2021 and the employment contract will terminate on 30 June 2021.

Remuneration of Chief Executive Officer (P Mdlalose)

Annual Remuneration	1 386	1 411
Contributions to UIF, Medical and Pension Funds	304	291
Housing allowance	17	16
Subsistence and travel	-	19
Telephone allowance	9	9
	1 716	1 746

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, however an application for early retirement has been received which will be effective 30 June 2021.

Notes to the Annual Financial Statements

15. Governance Committees' remuneration

Non-executive

2021

	No of meetings	Claim for attendance	Subsistence and travel	Other allowances	Total
Dlamini Sitsabo Samuel (Chairperson)	96	563	1	10	574
Mogodi Maphefo (Deputy Chairperson)	78	324	1	9	334
Badul Jenitha	14	-	-	-	-
Dala Prittish	19	96	-	3	99
Deacon Claire	18	59	-	2	61
Exner Ulandi	22	107	-	3	110
Gamede Cyril Vuyani	7	-	-	1	1
Hutamo Ngwako Edward	19	-	-	3	3
Jacobs Keith Ivor	42	230	-	6	236
Makhathini Zandile Yvonne	37	-	-	5	5
Margolius Jerry Leigh	18	87	-	3	90
Meyer Gert Hendrik	17	89	-	3	92
Molao Hazel Noluthando	12	33	-	2	35
Mothowamodimo Willie Ofentse	10	-	-	2	2
Mthembu Sinenhlanhla Thuleleni	20	89	-	3	92
Naidoo Karuni	39	134	-	5	139
Ndlovu Hendrick	18	-	-	3	3
Qina Noninzi	22	111	-	4	115
Rabada Florence	13	-	-	2	2
Stock Patricia (Independent Audit Committee member)	30	386	-	3	389
Mangquku Luyanda Mansfield (Independent Audit Committee member)	11	130	-	1	131
Konar Len (Independent Audit Committee member)	10	91	-	1	92
Raphela Nchoke John (Independent Information Technology Steering Committee Chairperson)	7	26	-	-	26
	579	2 555	2	74	2 631

Notes to the Annual Financial Statements

15. Governance Committees' remuneration (continued)

2020

	No of meetings	Claim for attendance	Subsistence and travel	Total
Dlamini Sitsabo Samuel (Chairperson)	21	90	5	95
Mogodi Maphefo (Deputy Chairperson)	63	292	22	314
Badul Jenitha	6	-	-	-
Dala Prittish	14	67	3	70
Deacon Claire	17	103	25	128
Exner Ulandi	27	107	16	123
Hutamo Ngwako Edward	14	-	-	-
Jacobs Keith Ivor	29	159	2	161
Makhathini 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

During the previous financial year, the vacancies on the CBE Council was filled on 20 January 2020 as follows:

- Dr Dlamini, Council Chairperson
- Ms Naidoo, Council member
- Mr Mothowamodimo, Council member
- Mr Gamede, Council member

During the current financial year, the following members resigned from the CBE Council and its committees:

- Dr Dala, former Council member, resigned on 4 January 2021
- Ms Exner, former Council member, resigned on 13 January 2021

During the previous financial year, the following members resigned from the CBE Council and its committees:

- Ms Vieira, former Council member, resigned on 21 November 2019

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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16. Depreciation and amortisation

Property, plant and equipment	1 433	1 582
Intangible assets	488	433
	1 921	2 015

17. Finance costs

Finance leases	36	14
Other	15	21
	51	35

18. Lease rentals on operating lease

Premises		
Contractual amounts	5 849	5 849

19. General expenses

Advertising	138	191
Appeal committee fees	618	817
Assessment rates and municipal charges	221	201
Awareness and Publication	243	343
Bank charges	59	59
Bursary costs	-	226
CBE events	6	967
Catering	3	172
Cleaning	52	197
Conferences and seminars	-	18
Council support	2 075	9
Courier and postage	1	27
Insurance	223	279
Internal audit fees	577	696
Printing and stationery	-	68
Publishing	8	53
Repairs and maintenance	18	15
Staff welfare	97	78
Subscriptions and membership fees	72	58
Telephone and fax	529	83
Training	304	517
Utilities	779	794
	6 023	5 868

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
20. Cash generated from (used in) operations		
Deficit	(169)	(627)
Adjustments for:		
Depreciation and amortisation	1 921	2 015
(Loss) gain on sale of assets and liabilities	(247)	161
Finance costs - Finance leases	50	14
Interest income	(11)	(10)
Bad debts written off	-	1
Movements in operating lease assets and accruals	(1 063)	(527)
Movements in provisions	(106)	277
Changes in working capital:		
Receivables from exchange transactions	3 225	(3 014)
Other receivables from non-exchange transactions	653	(521)
Payables from exchange transactions	562	(128)
	4 815	(2 359)

21. Commitments

Authorised capital expenditure		
Approved and contracted		
• Intangible assets	-	279
Approved not yet contracted		
• Property, plant and equipment	-	264
• Intangible assets	676	-
	676	264
Total capital commitments		
Approved and contracted	-	279
Approved not yet contracted	676	264
	676	543

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
21. Commitments (continued)		
Authorised operational expenditure		
Approved and contracted		
• Maths and Science Support Programme	-	80
• Internal audit fees	2 637	190
• Annual report printing	328	571
• IT security	-	101
• Investigation	65	65
• Probity audit	-	135
• Radio and TV interviews	-	130
• IT support services	-	78
• Training	-	156
• Risk management project	-	196
• Website and maintenance	262	-
• Revenue enhancement	21	-
• Organisational design	292	-
	3 605	1 702
Approved not yet contracted		
• Delegation of Authority review	-	58
• Technical opinion	-	75
• Maths and Science Support Programme	100	-
• Promotional items	500	-
• Business Continuity	370	-
• Corporate video	45	-
• IEBES maintenance	495	-
	1 510	133
Total operational commitments		
Approved and contracted	3 605	1 702
Approved not yet contracted	1 510	133
	5 115	1 835
Total commitments		
Total commitments		
Authorised capital expenditure	676	543
Authorised operational expenditure	5 115	1 835
	5 791	2 378

Notes to the Annual Financial Statements

Figures in Rand thousand

2021

2020

21. Commitments (continued)

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.

Multi-year non-cancellable agreements were entered into for the annual report printing, internal audit fees, intangible assets and Integrated Electronic Built Environment System (IEBES) support.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year

7 495

6 913

- in second to fifth year inclusive

-

7 495

7 495

14 408

Operating lease payments represent rentals payable by the entity for its office accommodation. The CBE entered into a 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.

22. Contingencies

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.

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 2020/21 financial year was under-utilised by R2.728 million. National Treasury approved the utilisation of the surplus funds.

National Treasury

2 728

2 001

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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23. Related parties

Relationships

Council members	Refer to Accounting Authority's report
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

SACAP	-	41
SACLAP	-	13
ECSA	-	519
SACPVP	-	66
SACPCMP	142	142
SACQSP	-	7
Grant received		
DPWI	48 813	52 796

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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23. Related parties (continued)

Levy income

SACAP	408	436
SACLAP	15	13
ECSA	1 231	1 140
SACPVP	70	66
SACPCMP	219	314
SACQSP	133	141

Council support expense

SACAP	408	-
SACLAP	15	-
ECSA	1 231	-
SACPVP	70	-
SACPCMP	219	-
SACQSP	133	9

During the current financial year, Council took a resolution on 25 November 2020 to provide CBEP with a 100% debt relief on levies received, due to the financial pressures they are facing.

CBE shares its office accommodation with SACLAP. SACLAP does not pay for this service. The estimated saving on SACLAP's administrative budget amounted to R152 305 (2020: R140 675).

The CBE also entered into memoranda of understanding with SACAP, SACLAP, SACPVP and Agrément SA for shared ICT services. The estimated savings, on the CBEP's administrative budget, are:

Shared ICT services

SACLAP	-	30
SACPVP	-	8
Agrément SA	4	6

Key management information

Class	Description	Number
Non-executive board members (Refer to Note 15)	Council members	13
Audit committee (Refer to Note 15)	External audit committee members	3
Executive management (Refer to Note 14)	Senior management	3

Notes to the Annual Financial Statements

24. 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 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables from exchange	4 587	-	-	-
Finance lease obligation	91	76	-	-

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	91	166	-	-

Credit risk

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

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

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

Financial instrument	2021	2020
Receivables	487	3 771
Cash and cash equivalents	9 423	5 688
Other financial assets	99	94

Market risk

Interest rate risk

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

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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25. Going concern

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

The Executive Authority continues to provide the grant funding, as indicated in the Medium-Term Expenditure Framework (MTEF) over the MTEF period, to fund the ongoing operations of the CBE.

26. Events after the reporting date

CBE submitted an application for condonation during the 2020/21 financial year. National Treasury did not condone the irregular expenditure and CBE subsequently submitted a request for appeal on 7 April 2021. National Treasury approved the condonation of the irregular expenditure amounting to R8 164 289.55 on 5 May 2021. The aforementioned event constitutes a non adjusting event and no changes have been made to the annual financial statements.

Council considered a request from the CEO requesting her early retirement, received on 4 May 2021. Although the CEO's fixed term contract expires in March 2022, her application for early retirement will be effective from 30 June 2021.

A resignation request was received from the COO on 27 May 2021 and the employment contract will terminate on 30 June 2021.

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

27. Other cash items

Insurance claims	28	10
Sundry receipts	1	11
	29	21

28. Fruitless and wasteful expenditure

Opening balance	-	5
Less: Amounts recovered - current	-	(5)
Closing balance	-	-

No new instances of fruitless and wasteful expenditure were discovered during the financial year.

Notes to the Annual Financial Statements

Figures in Rand thousand	2021	2020
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29. Irregular expenditure

Opening balance	11 536	8 909
Add: Irregular Expenditure - prior period	-	2 786
Less: Amount found per determination not to be irregular	-	(159)
Closing balance	11 536	11 536

Incidents/cases identified in the current year include those listed below:

Contract extensions not approved	Contract extension in excess of 15% not approved by delegated authority	-	2 786
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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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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 Supply Chain Management official responsible.

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 noncompliance to the Supply Chain Management processes. National Treasury condoned irregular expenditure to the amount of R8,164,289.55 on 5 May 2021.

The determination process is currently underway for four sole source deviations, amounting to R129,398. A final report has been issued in this regard and disciplinary measures are underway.

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 (recognised as an adjusting event in the prior year) amounting to R2,785,768. A service provider has been appointed and the matter is currently still under consideration.

Notes to the Annual Financial Statements

30. Segment information

General information

Identification of segments

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 37 - 92). 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.

Information reported about this segment is used by management as a basis for evaluating the segment's performances and for making decisions about the allocation of resources. The disclosure of information about this segment is also considered appropriate for external reporting purposes.

31. Budget differences

Material differences between budget and actual amounts

31.1 Partnership funding

The CBE entered into a partnership during the previous year for bursaries and stipends paid to students. There was a delayed analysis of claims submitted by Construction Education Training Authority (CETA), which was placed under administration. Claims were finalised and received in the current financial year.

31.2 Levies

The variance is due to a delay in the receipts of expected prior year CBEP levies due to the Covid-19 Lockdown. This resulted in more cash being received in the current year.

31.3 Governance committees' remuneration

The additional council remuneration arose from an emergency meeting scheduled to approve the amendment of the CBE budget as a result of the reprioritisation of budgets. Various other meetings were also scheduled to attend to the current investigation into a hotline tip off.

31.4 Lease rentals on operating leases

The variance is due to the rental which was paid in April 2021 and not prepaid as in previous financial years.

31.5 General expenses

The variance is mainly attributable to prior year committed funds which were utilised for internal audit, training, radio and TV interviews and the printing of the CBE's statutory documents.

Notes to the Annual Financial Statements

31. Budget differences (continued)

31.6 Computer expenses

The variance is due to prior year committed funds which were utilised for the Unemployment database, the IEBES and IT security contract.

31.7 Intern stipend payments

The payments made in the current year related to invoices which were delayed, due to the protracted staff and student strikes.

31.8 Mentor fees

The variance is due to outstanding mentor reports for the structured candidacy project, resulting in delayed invoice processing.

31.9 Property, plant and equipment and intangible asset additions

The fixed asset variance is due to the purchase of furniture, 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 annual 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 annual financial statements are for the fiscal period from 2020/04/01 to 2021/03/31. The annual 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 changes between the approved and final budget are a consequence of re-allocations within the approved budget parameters. The annual budget is compiled prior to the beginning of the financial year and submitted to Council for approval. A budget adjustment was made in May 2021 due to the Covid-19 pandemic and the reprioritisation of funds. 12.06% of the CBE's income was surrendered in an effort to curb the effect of the pandemic on the national economy. A further reduction was made as the CBE provided full debt relief to the CBEP on levies for the 2020/21 financial year, due to financial pressures from the Lockdown.

32. BBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

PART F

COUNCILS FOR THE BUILT
ENVIRONMENT PROFESSIONS





6.1 Introduction

This section outlines the activities undertaken by the Councils for the Built Environment Professions (CBEP) for the 2020/21 financial year, submitted to the CBE at the end of March 2021. 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 (BEPs) play a critical role in planning, developing, building, and maintaining public infrastructure. Whether it is water treatment facilities, bridges and roads, public open spaces, public transit, utilities and the electricity grid, Built Environment Professions 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 by regulating the professions.

While the work of engineers, architects /managers, project and construction managers, quantity surveyors, landscape architects and property valuers takes place largely 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.

6.2 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

6.3 The Impact of Covid-19

The Covid-19 pandemic had a major impact on the CBEP and their communities. They reported the following challenges emanating from Covid-19:

- (a) loss of or reduced revenue streams
- (b) constraints in governance structure
- (c) operating in a virtual environment

(a) Loss of or Reduced Revenue Streams

Revenues were, and will continue to be, significantly affected by the pandemic. The CBEP's inability to operate normally due to social distancing guidelines is a serious limitation, actively affecting revenue. Some challenges cited by the CBEP were collecting membership fees, fall in candidate registrations and non-renewal of registered persons.

(b) Constraints in Governance Structure

On governance structure constraints, the CBEP cited challenges in holding virtual council and committee meetings, issuing audit licenses requiring CPD and a drop in service levels (e.g. processing backlogs caused by social distancing protocols).

(c) Operating in a Virtual Environment

Covid-19 protocols necessitated that the CBEP operate virtually, which brought on a number of challenges to carry on with 'business as usual', such as a lower quality of service delivery and ineffective communication (e.g. conveying timely information on disruption to services).

6.4 Human Resource Development

6.4.1 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

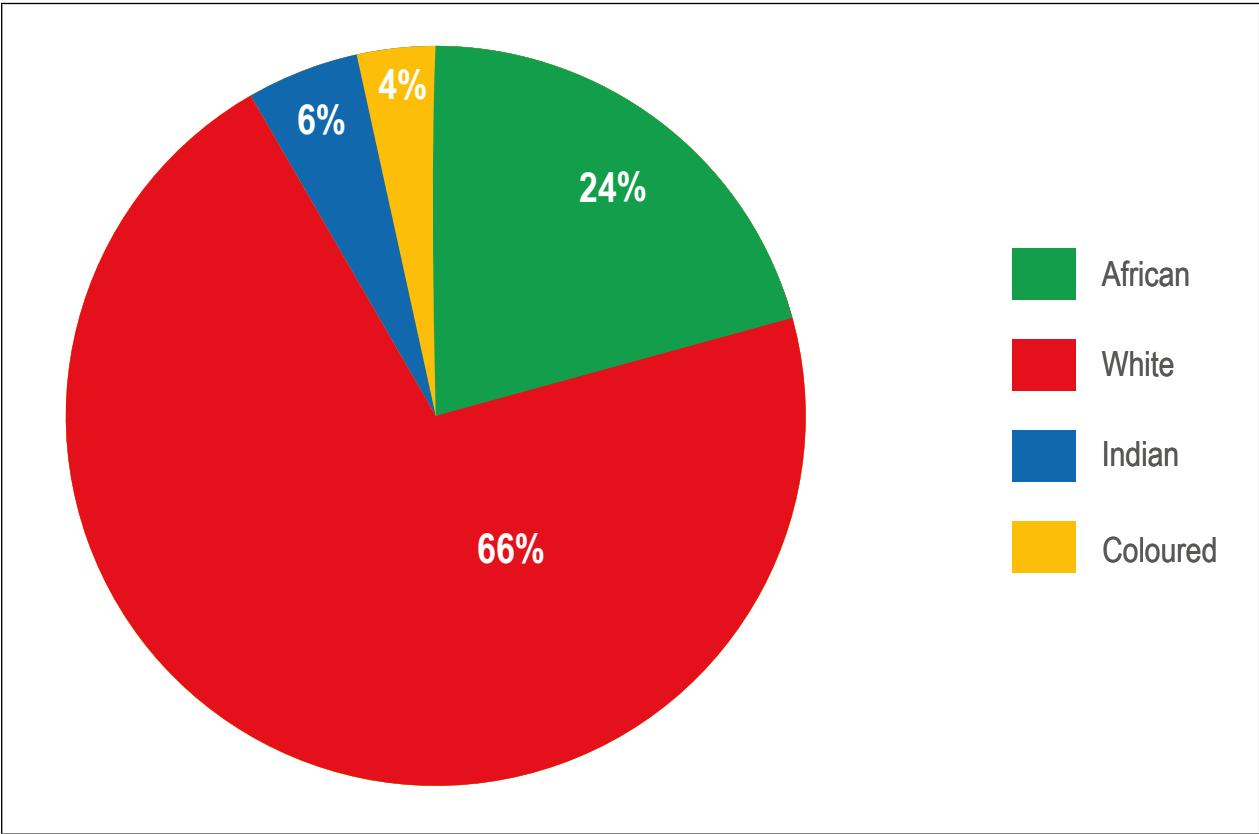


Figure 5: CBEP Race Profile
(Source: CBEP Fourth Quarter Report 2020/21)

The illustration above indicates that by the end of the 2020/21 financial year, the white population group remained the most dominant race in the BEPs, accounting for 66% of the registered persons across the six professions. The African population is a distant second, accounting for 24% of BEPs, followed by Indian and coloured populations, accounting for 6% and 4% 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

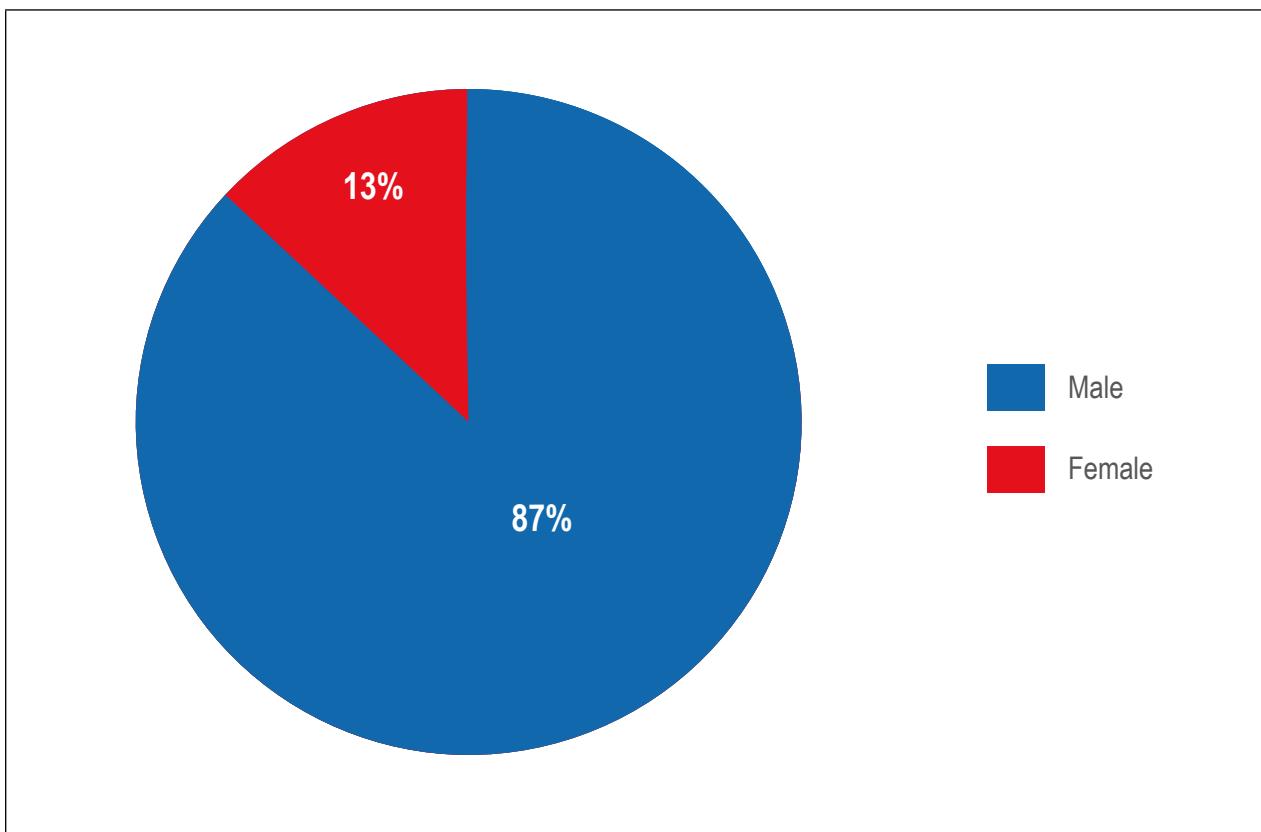


Figure 6: CBEP Gender Profile

(Source: CBEP Fourth Quarter Report 2020/21)

This gender profile pie chart depicts that 87% of the professionals registered with the CBEP by the end of the 2020/21 financial year were male. It demonstrates that CBEP membership is dominated by males, with only 13% 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

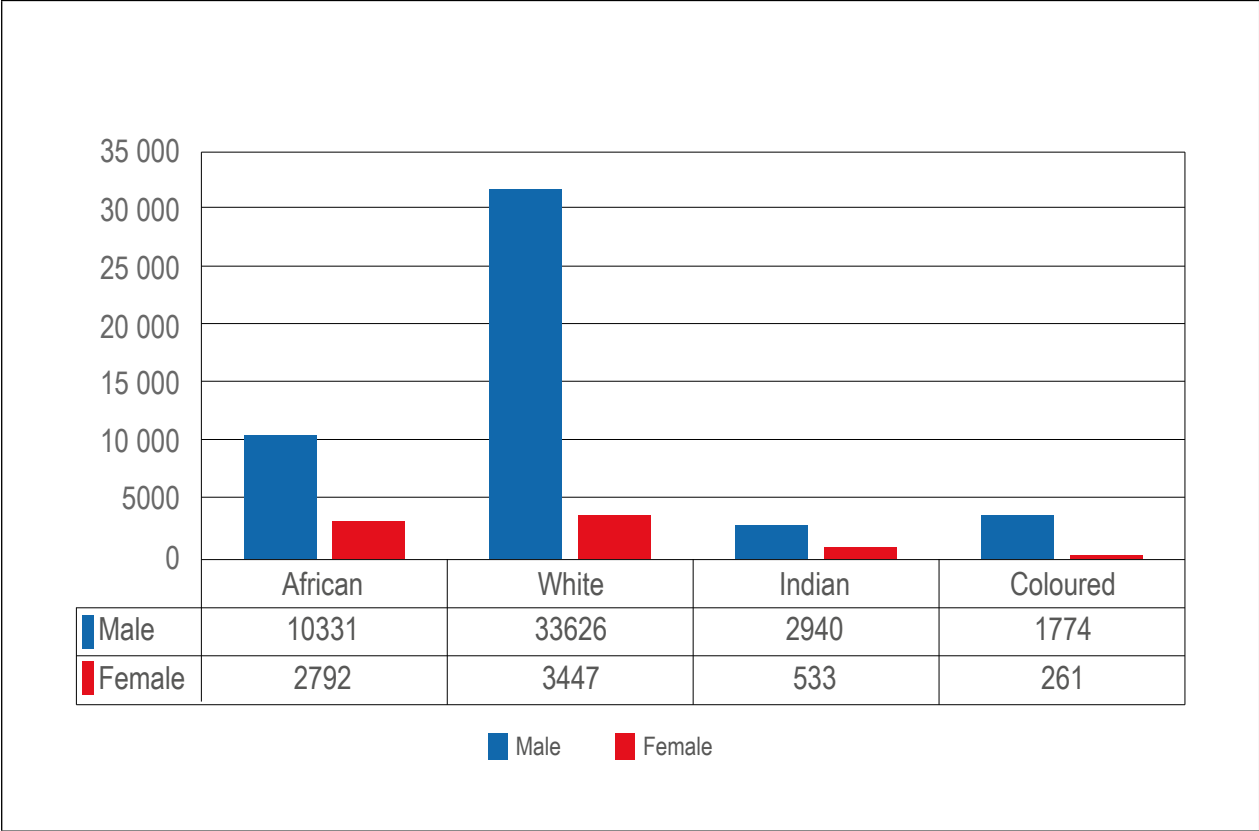
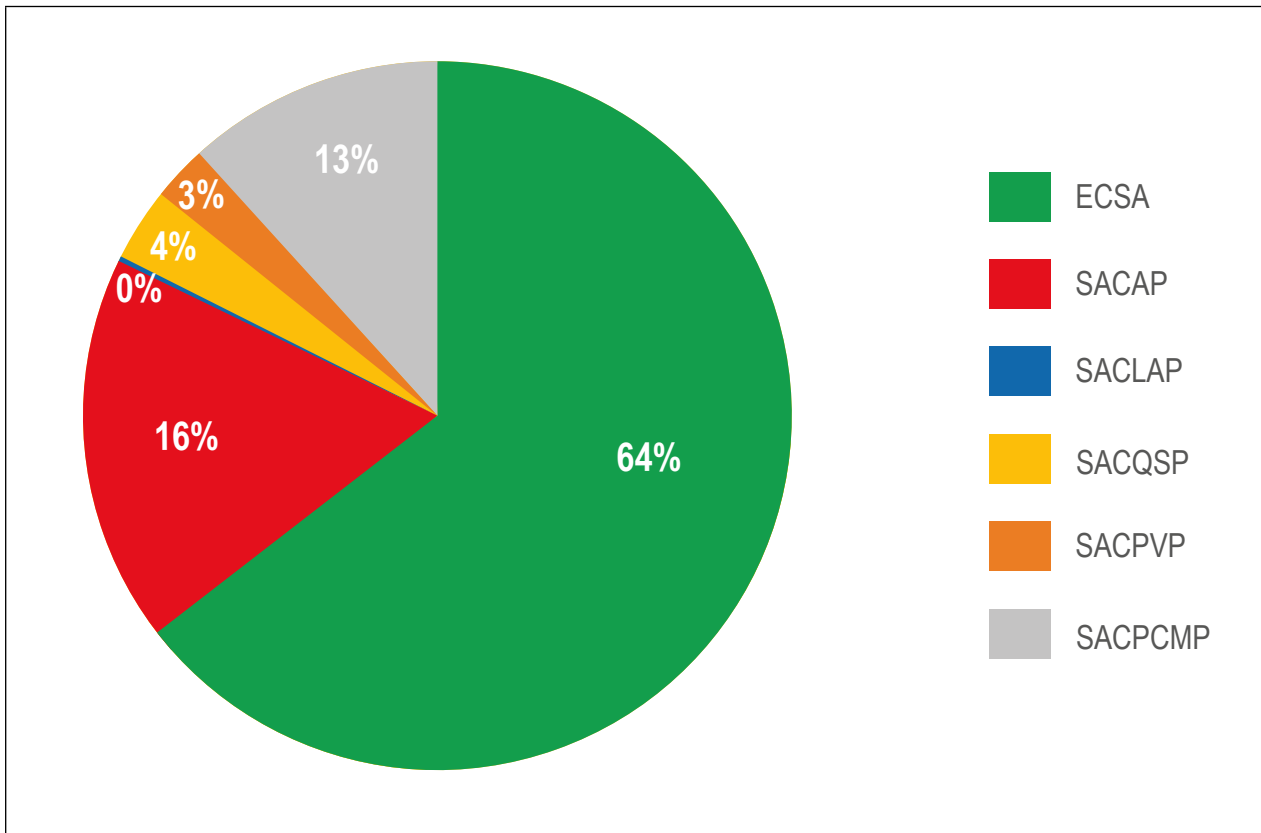


Figure 7: CBEP Gender and Race Profile
(Source: CBEP Fourth Quarter Report 2020/21)

The figure above analyses the number of professionals registered with the CBEP according to their gender and race. It, thus, provides that by the end of the 2020/21 financial year the CBEP had a total of 55704 (48671 males and 7033 females) registered professionals. It is evident that the CBEP membership is male dominated, with white males accounting for most of the registered persons, followed by African males, Indian males, and lastly coloured males. The statistics also reveal that the racial profile of the BEPs remains unbalanced with the Indian and coloured populations significantly underrepresented in the BEPs across the six CBEP. The BEPs can better understand and, therefore, protect the public interest, if they are representative of the demographics of the Republic of South Africa.

CBEP 2020/21 Composition*Figure 8: CBEP Composition*

(Source: CBEP Fourth Quarter Report 2020/21)

This pie chart on the CBEP composition illustrates the percentage distribution of professionals across the six CBEP by the end of the 2020/21 financial year.

1. ECSA 64%
2. SACAP 16%
3. SACPCMP 13%
4. The remaining three CBEP – SACLAP, SACPVP and SACQSP combined made up the remaining 7% of registered professions in the CBEP

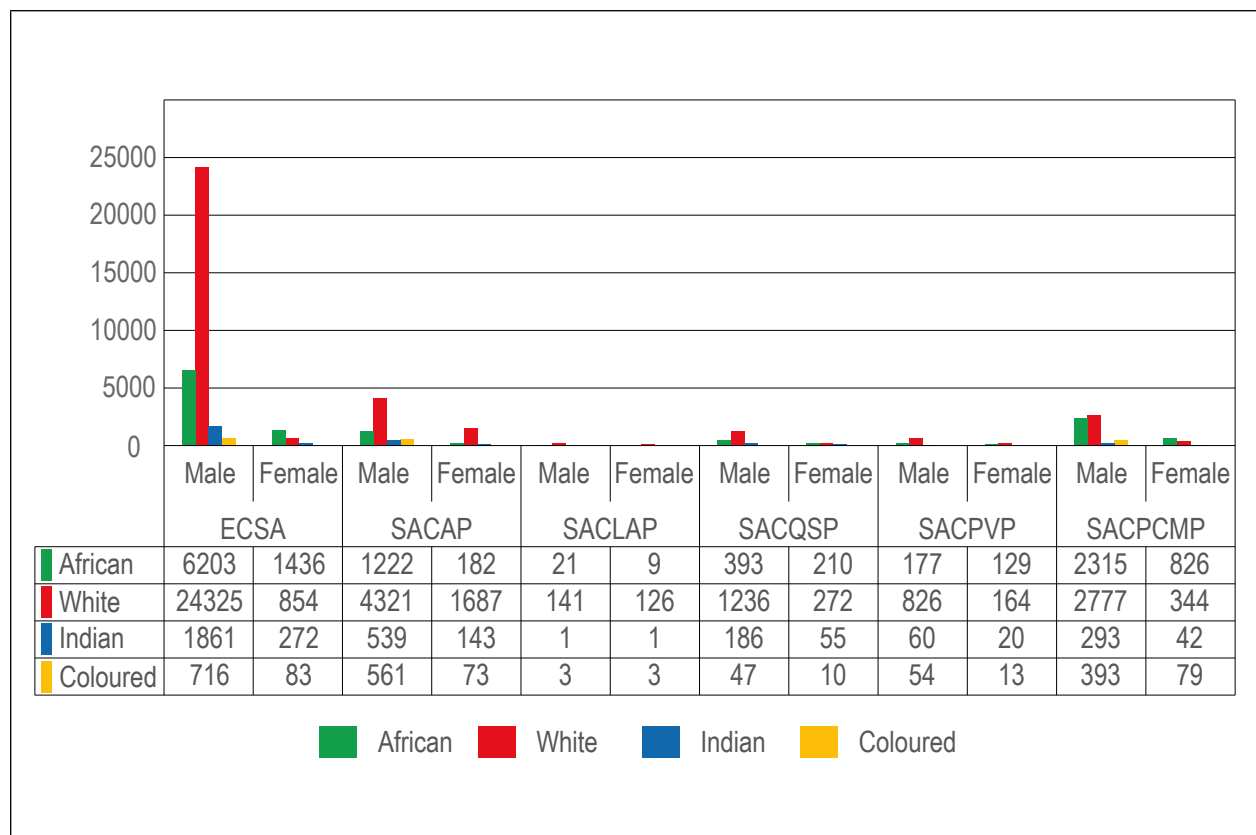


Figure 9: CBEP Comparison per Gender, Race and Profession

(Source: CBEP Fourth Quarter Report 2020/21)

This graph compares the demographic composition of each of the six professions by gender and race at the end of the 2020/21 financial year. These figures mirror the demographics contained in figure 7, alluding to white male dominance in the BEPs. It demonstrates the need to improve registration numbers of the other three demographic groups, to achieve a demographically balanced profile. This graph further exemplifies that the contribution of SACLAP, SACQSP and SACPVP to the number of registered professionals in the BE remain relatively low compared to those of ECSA, SACAP and SACPCMP, presenting the opportunity to increase numbers of registered professionals in these fields in a manner that promotes equality. The analysis, accordingly, infers the need to improve both the racial and gender profile of the BEPs, in manner that promotes equality.

Number of Registered Professionals by Council and Registration Category

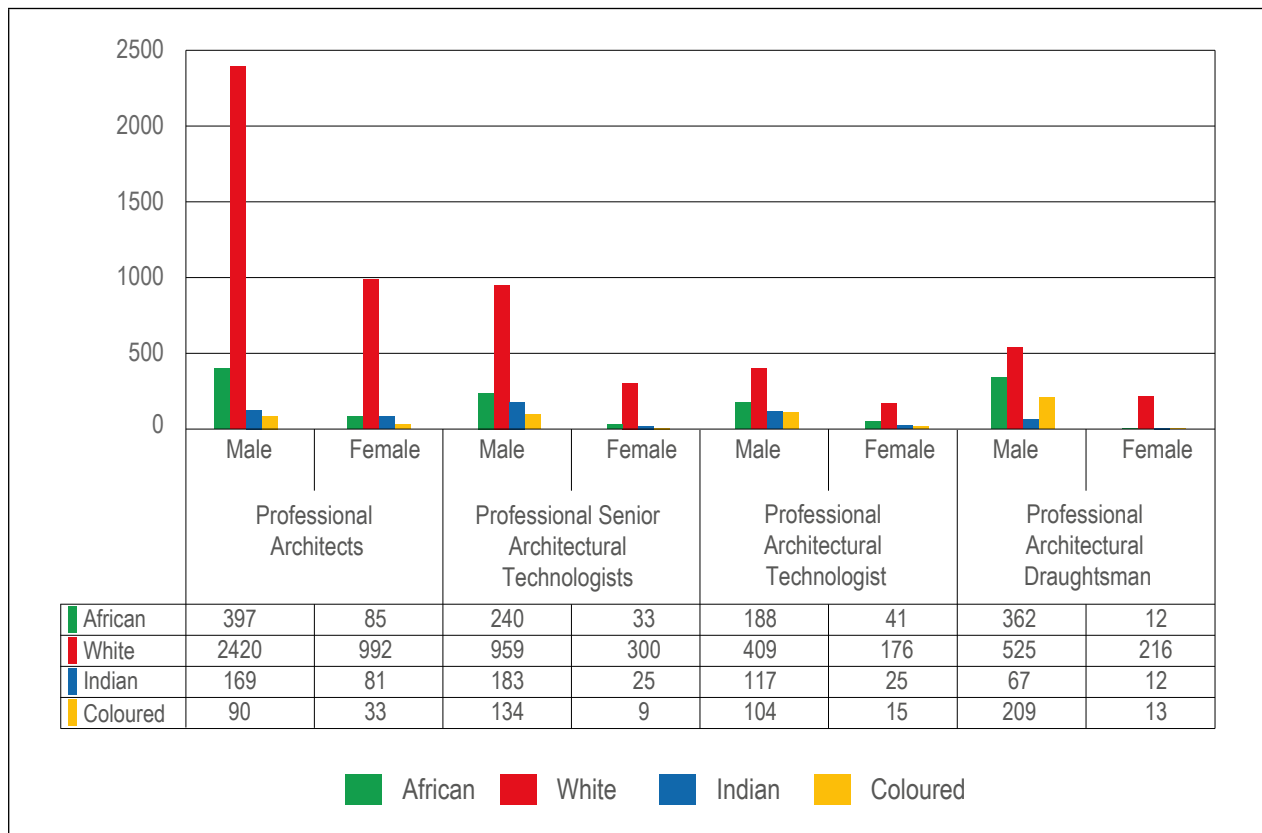


Figure 10: SACAP Professionals per Gender, Race and Discipline
(Source: SACAP Fourth Quarter Report 2020/21)

According to this graph, SACAP had a total of 8641 registered professionals, with 4267 Professional Architects, 1883 Professional Senior Architectural Technologists and 1075 Professional Architectural Technologists. It reveals that SACAP's professional membership is dominated by the white population group, with white males making up most of the registered professionals in all the identified SACAP disciplines. While the other demographic groups are present, their representation is minimal and does not reflect the South African population. Furthermore, data on the nationality of the professionals registered with SACAP indicates that 93% of the registered persons are South African, while only 7% are Non-South African. The analysis, therefore, not only highlights the need to improve access to SACAP's membership by women, but it also suggests the need to improve the racial profile of SACAP.

According to SACAP's 2020/21 fourth quarter report, the council had further registered a total of 87 persons in specialised categories. The identified specialised categories include Building Assessor I, Building Assessor II, Building Assessor III, Building Inspector I, Building Inspector II, Building Inspector III, Building Officer, Senior Building Officer, Chief Building Officer, Chartered Building Officer, Building Surveyor, Senior Building Surveyor, Chief Building Surveyor and Chartered Building Surveyor.

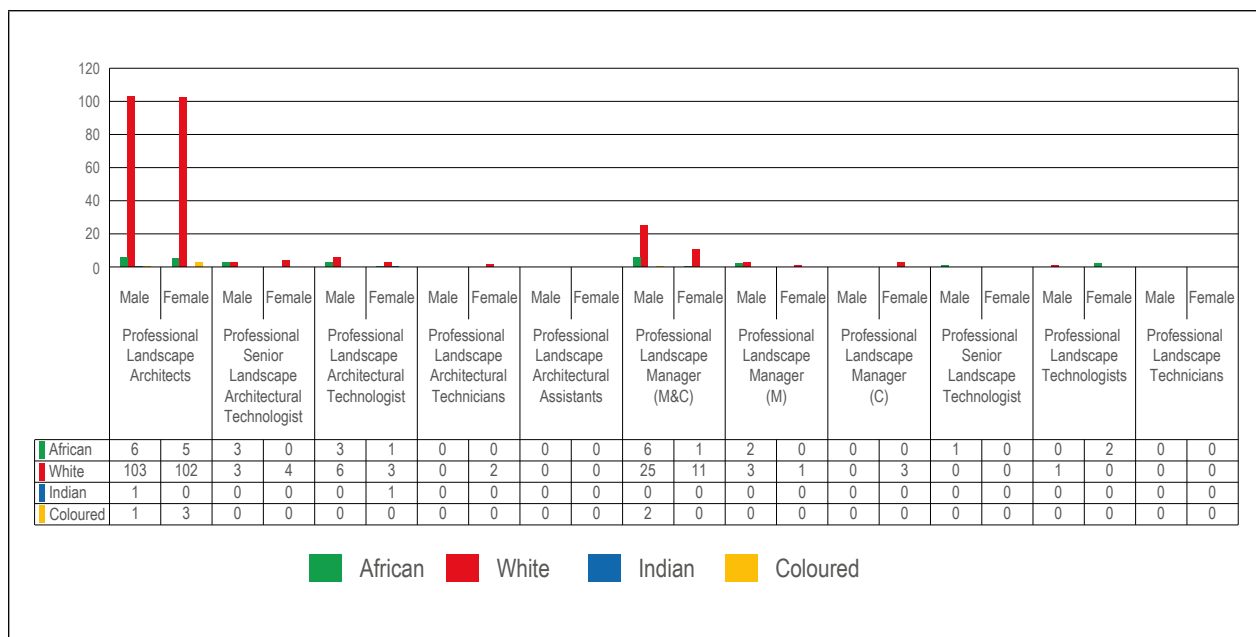


Figure 11: SACLAP Professionals per Gender, Race and Discipline

(Source: SACLAP Fourth Quarter Report 2020/21)

The graph above provides that SACLAP had a total of 305 registered professionals by the end of the 2020/21 financial year. Professional Landscape Architects made up the highest number of registered professionals, with white males dominating the membership numbers at 103, followed by white females at 102, while the other racial groups fall drastically behind. 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 and Professional Landscape Technicians had no registered professionals across all the racial groups. Moreover, the data alludes to white dominance across all the SACLAP recognised disciplines, while access to SACLAP professional membership remains a challenge to all the other racial groups, particularly for women.

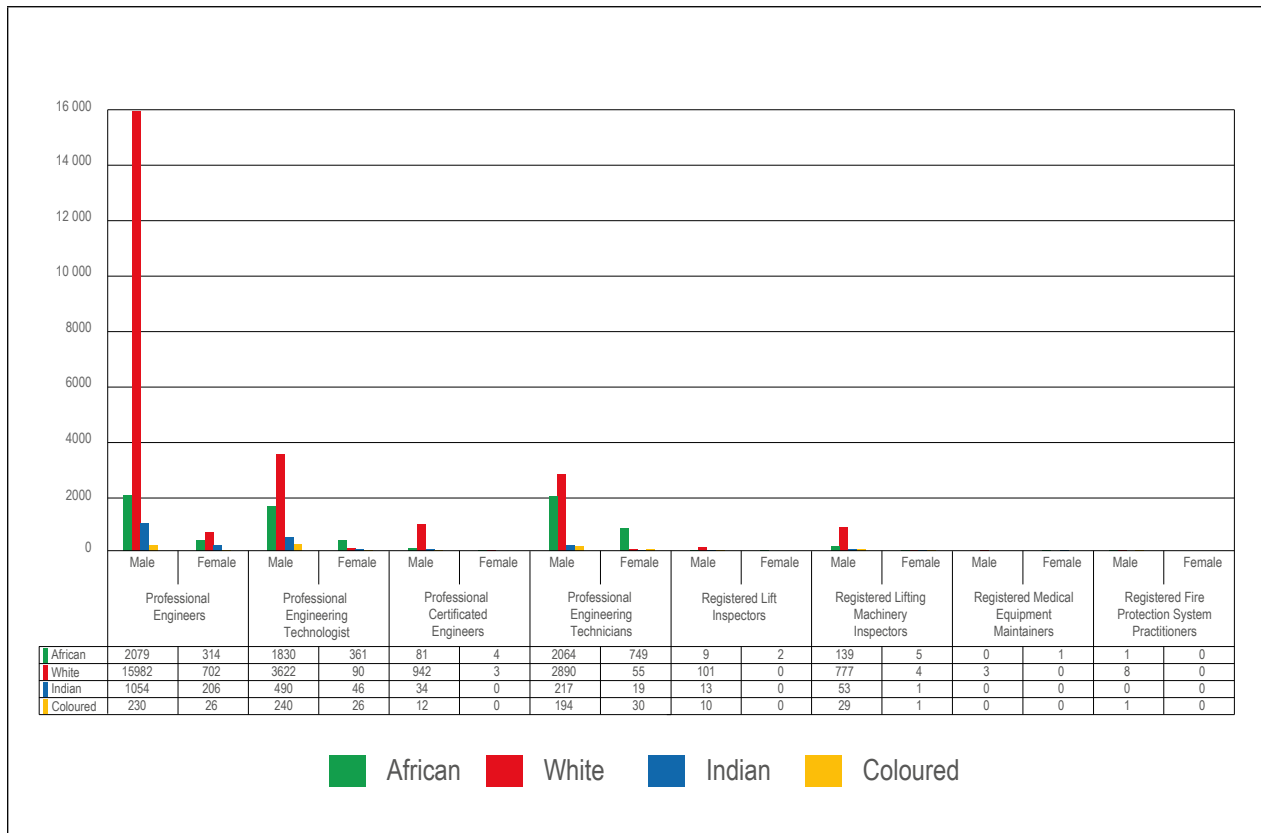


Figure 12: ECSA Professionals per Gender, Race and Discipline
(Source: ECSA Fourth Quarter Report 2020/21)

In the graph above, ECSA has the highest number of registered persons compared to all the other BEPs. By the end of the 2020/21 financial year, ECSA had a total of 35 750 registered professionals, with a racial profile of 71% whites, 21% Africans, 6% Indians and 2% coloureds. The illustration also highlights that there is a significant gap in the gender profile, with males accounting for 93% of the registered professionals. Evidently, the data provides that women are underrepresented in all the recognised disciplines within ECSA, particularly in the fields of Registered Medical Equipment Maintainers, Registered Fire Protection System Practitioners, Registered Lift Inspectors and Professional Certificated Engineers. This, thus, alludes to the constant need to ensure access to the professional membership by women, coloured and Indian population groups.

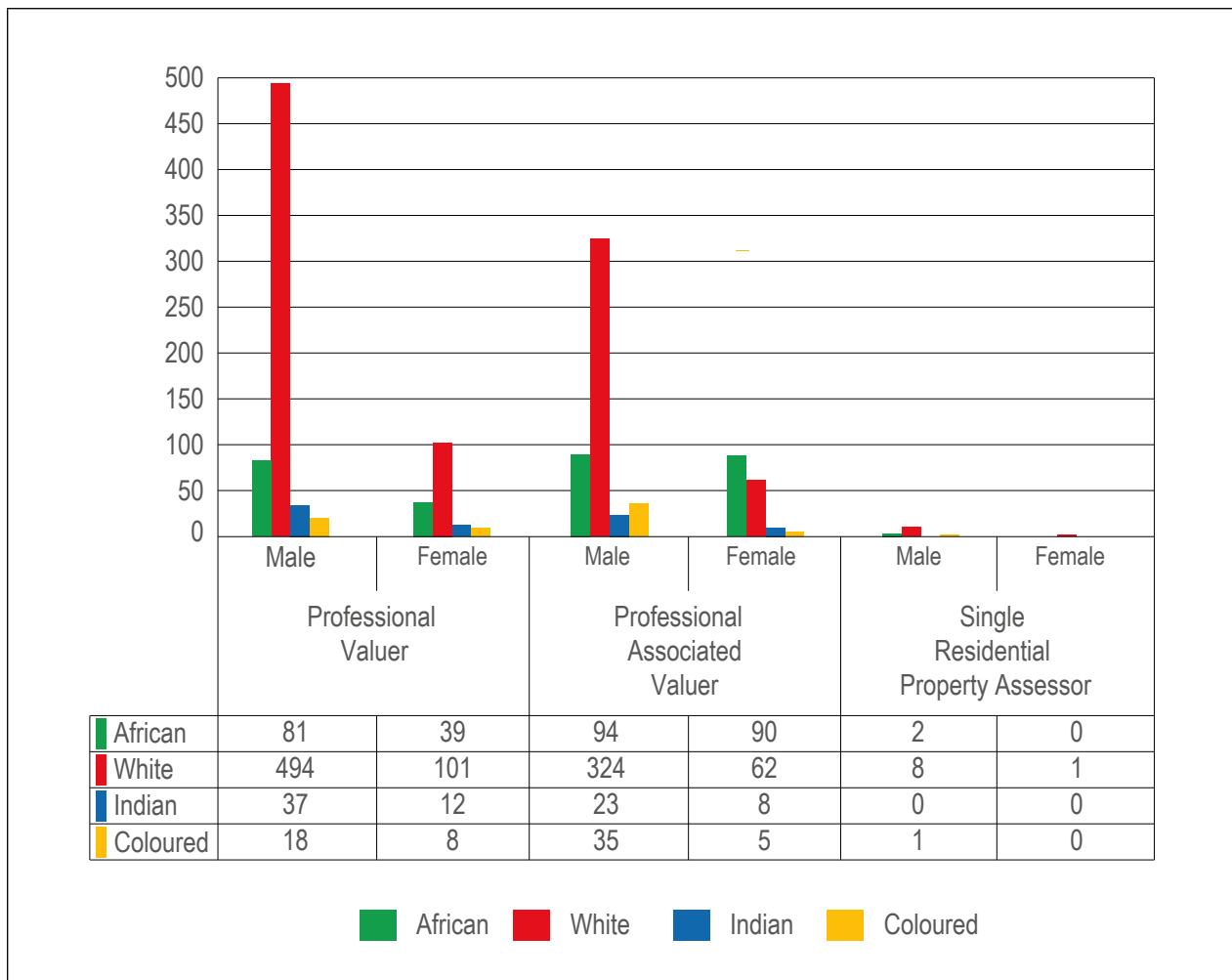


Figure 13: SACPVP Professionals per Gender, Race and Discipline
(Source: SACPVP Fourth Quarter Report 2020/21)

The illustration above provides that by the end of the 2020/21 financial year SACPVP had registered 1443 professionals, with a total of 790 Professional Valuers, 641 Professional Associated Valuers and 12 Single Residential Property Valuers. The racial profile of SACPVP remains the same, with whites accounting for 69% of the registered professionals, followed by Africans at 21%, while both the Indian and coloured groups make up the remaining 10%. The analysis also reveals a huge gap in gender representation, with males accounting for 77% of the registered professionals. Furthermore, white males continue to dominate SACPVP registration numbers across all the recognised disciplines, followed by African males. Indians and coloureds are the least represented groups in all the SACPVP recognised categories. 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.

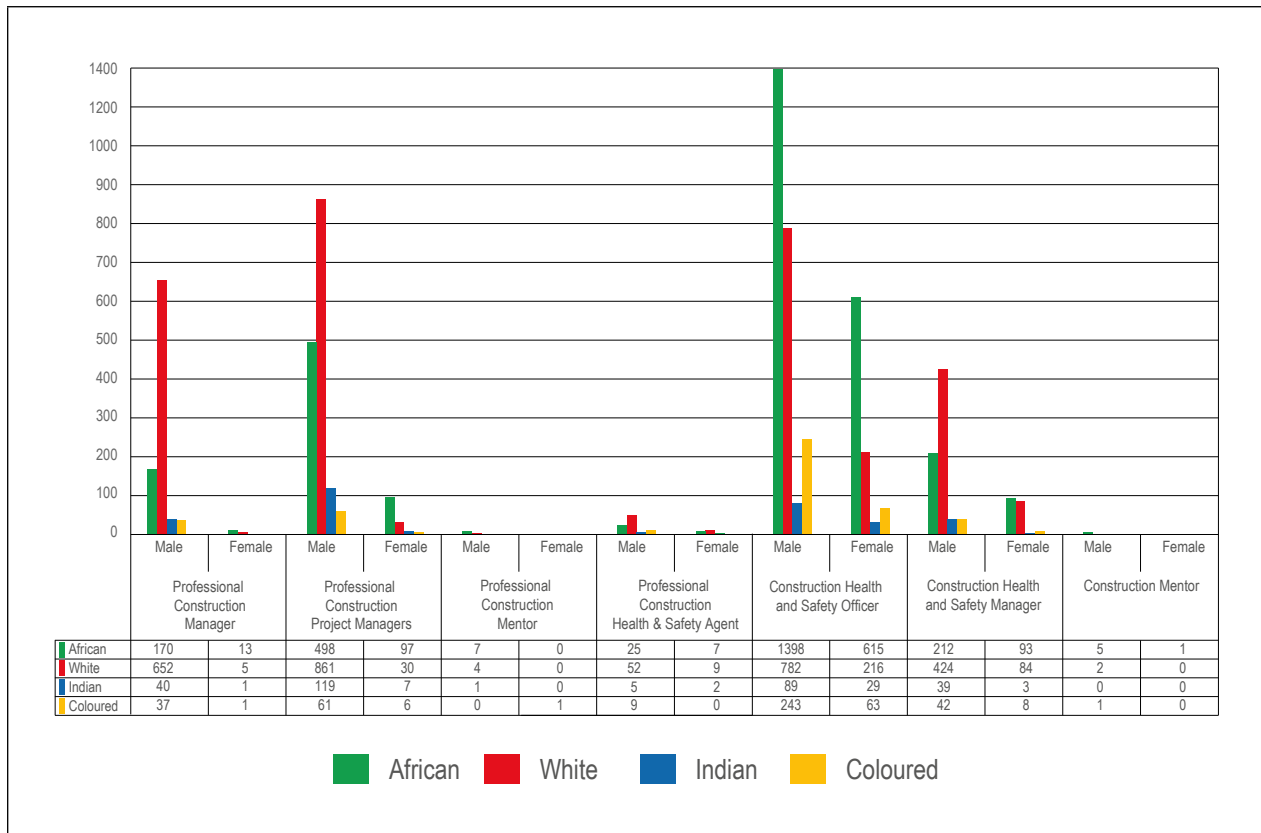


Figure 14: SACPCMP Professionals per Gender, Race and Discipline

(Source: SACPCMP Fourth Quarter Report 2020/21)

According to this graph, by the end of the 2020/21 financial year SACPCMP had 7069 registered persons, distributed as follows:

Construction Health and Safety Officers	3435
Professional Construction Project Managers	1679
Professional Construction Managers	919
Construction Health and Safety Managers	905
Professional Construction Health and Safety Agents	109
Professional Construction Mentors	13
Construction Mentors	9

The 2020/21 professional registration statistics highlight significant improvement in SACPCMP's racial profile, with 44% representation of Africans and whites respectively, while the Indian and coloured groups account for the remaining 12% combined. It further portrays that males, particularly white males dominate this profession. Female representation remains a challenge, with only 13% representation. The lowest percentages for female registered persons are in the categories of Professional Construction Mentor, followed by Construction Health and Safety and Professional Construction Manager.

Young people registered as professional aged between 20-39 constitute only 16.22% and middle aged between 40-59 constitute 61.3%. The youth face serious challenges of migrating to professional status, which could be attributed to the lack of training or opportunities in the industry. In the past, SACPCMP applied for discretionary grants for candidate training. The programme was also affected by the Covid-19 pandemic and other challenges related to payments from the sponsor.

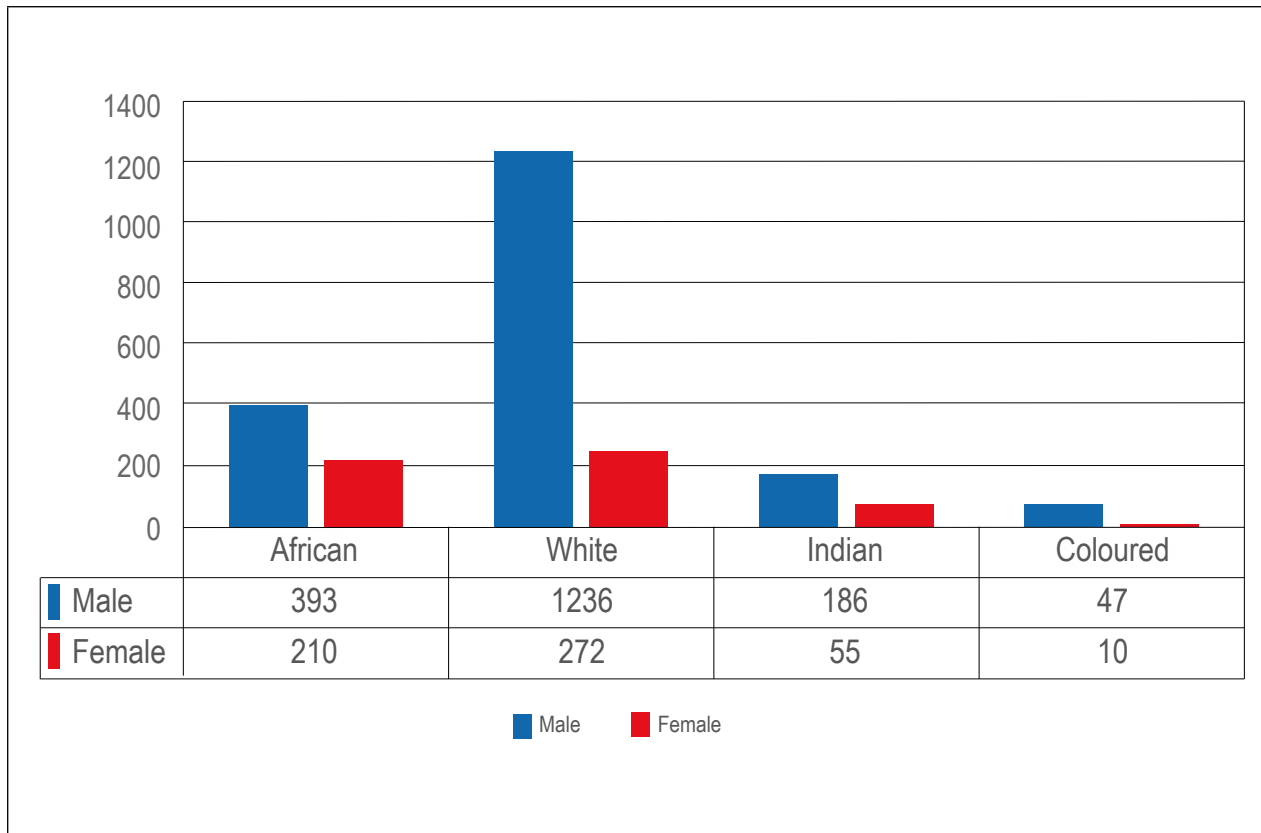


Figure 15: SACQSP Professionals per Gender and Race
(Source: SACQSP Fourth Quarter Report 2020/21)

This figure demonstrates SACQSP's professionals by gender and race at the end of 2020/21 financial year. Like the other BEPs, white males account for most registered professionals with a total number of 1236, followed by African males at 393 and white females at 272. 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 BEP.

Professional registration data indicates that by the end of the 2020/21 financial year the CBEP had registered a total of 55 704 professionals. ECSA dominated the registration numbers, followed by SACAP and SACPCMP, while the remaining three CBEP lagged drastically behind, accounting for only 4% of registered professionals. The data thus demonstrates the need to improve numbers of registered professionals within these CBEP (SACLAP, SACQSP and SACPVP) in a manner that will promote equality, while representing the demographics of South Africa.

The 2020/21 registration statistics continue to mirror previous years statistics in terms of BEPs' racial profile, alluding to white dominance in almost all of the six CBEP. The African population is 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 a key challenge faced by the BEPs.

The data further indicates that majority of the registered professionals are males, accounting for 87% 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.

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

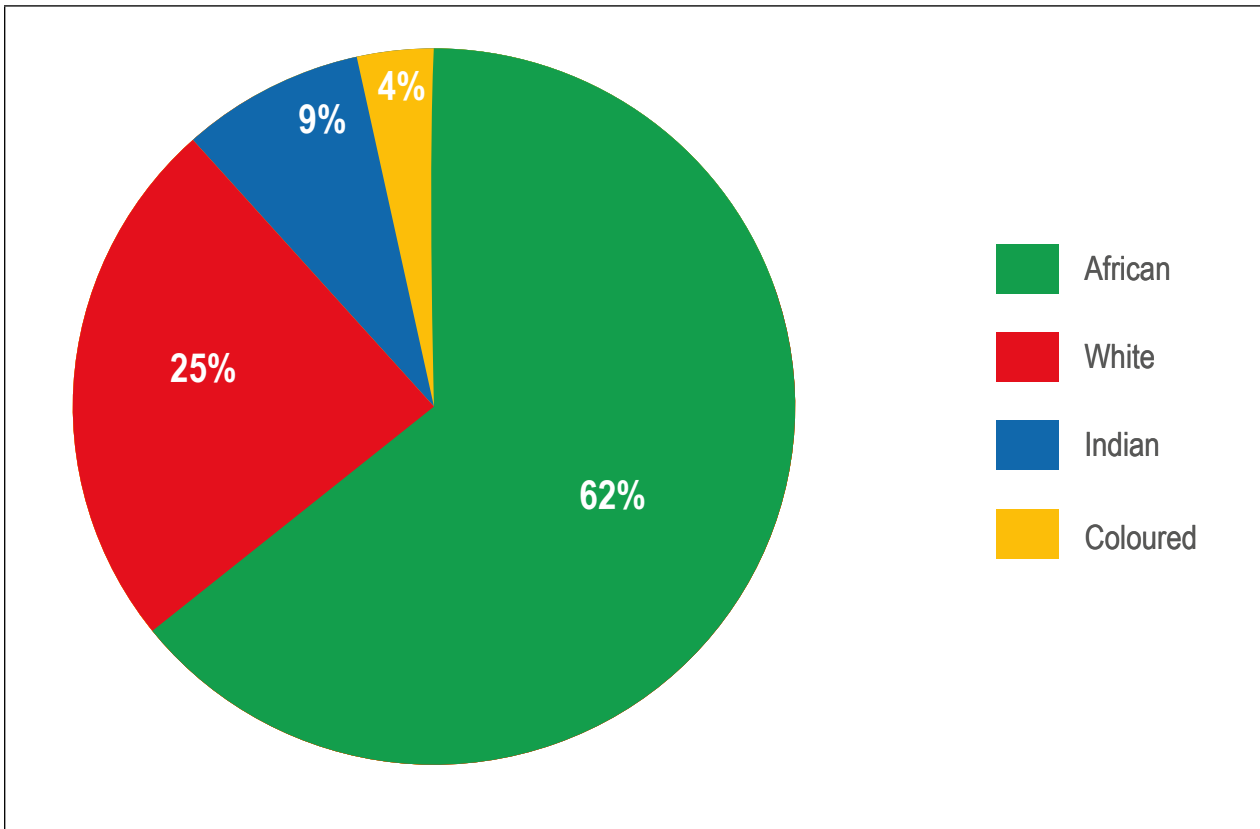


Figure 16: CBEP Candidate Race Profile

(Source: CBEP Fourth Quarter Report 2020/21)

This pie chart highlights candidates' demographic composition in the CBEP by the end of the 2020/21 financial year. The African population accounted for 62% of candidates, whites accounted for 25%, while Indians and coloureds combined accounted for 13%. Unlike the professional's racial profile which continue to be dominated by whites, the candidate racial profile infers that there is progress towards transformation.

Percentage of Registered Candidates by Gender

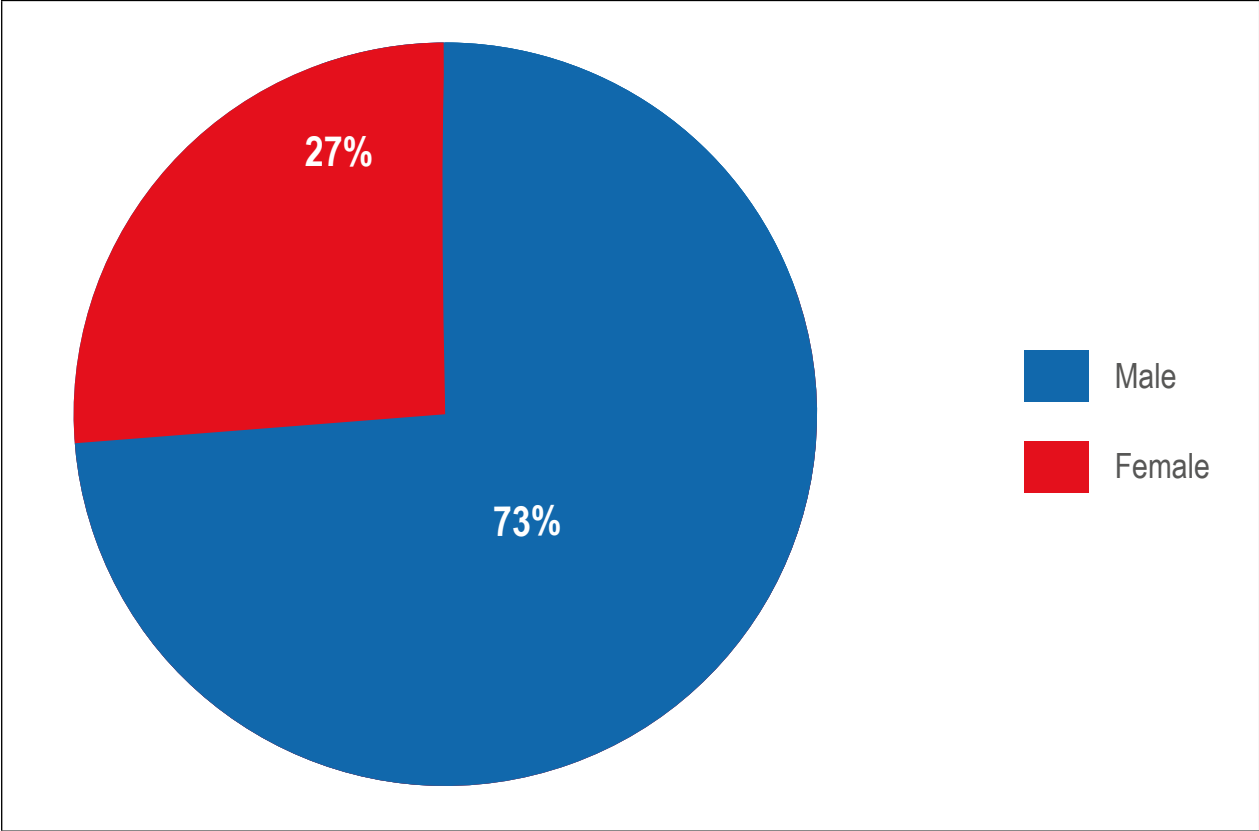
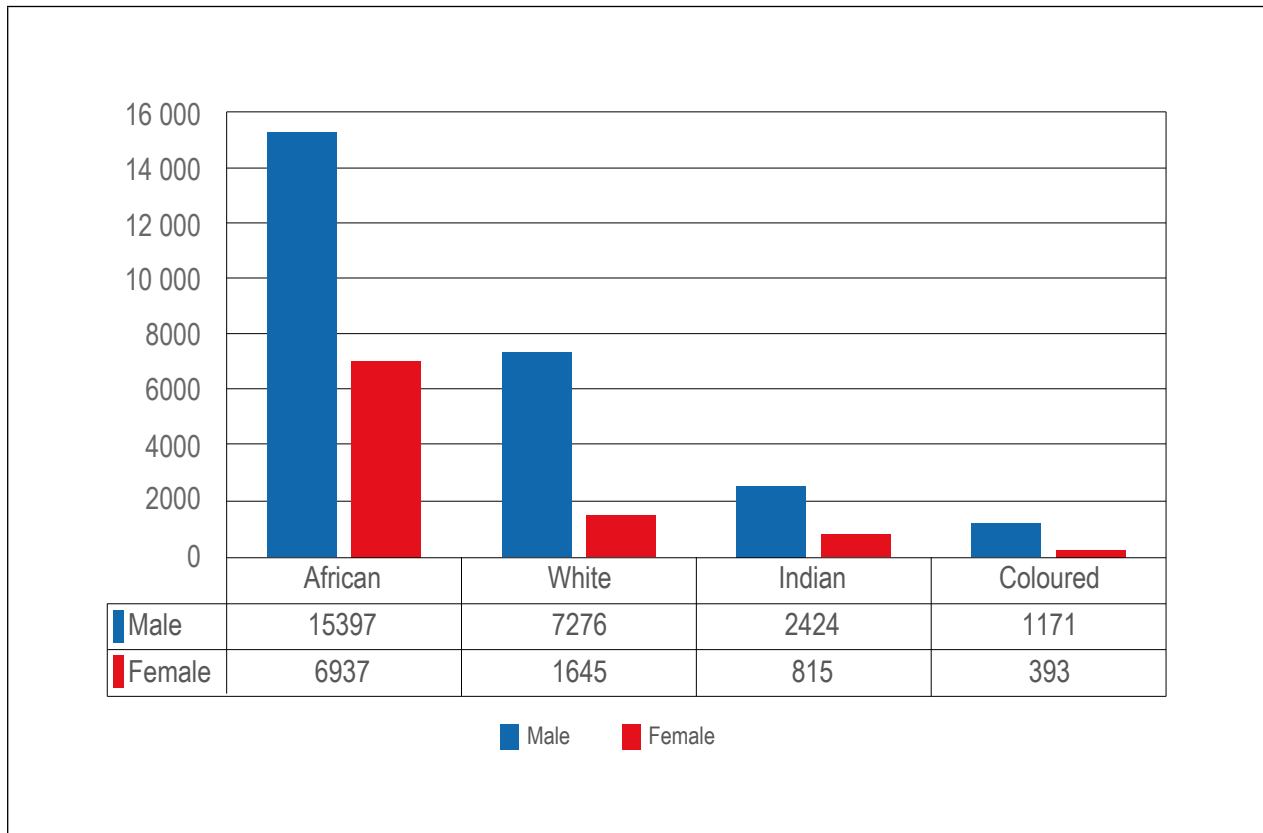


Figure 17: CBEP Candidate Gender Profile
(Source: CBEP Fourth Quarter Reports 2020/21)

In this illustration, CBEP numbers of registered candidates are compared by gender at the end of the 2020/21 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 18: CBEP Candidate Profile per Gender and Race*

(Source: CBEP Fourth Quarter Report 2020/21)

The graph above compares CBEP numbers of registered candidates by gender and race at the end of the 2020/21 financial year. The majority of CBEP candidates were African males, followed by white males and African females. As demonstrated in figures 16 and 17, there is more significant progress in the race composition of registered candidates than in the gender dynamic.

Registered Candidates per Race, Gender and Profession

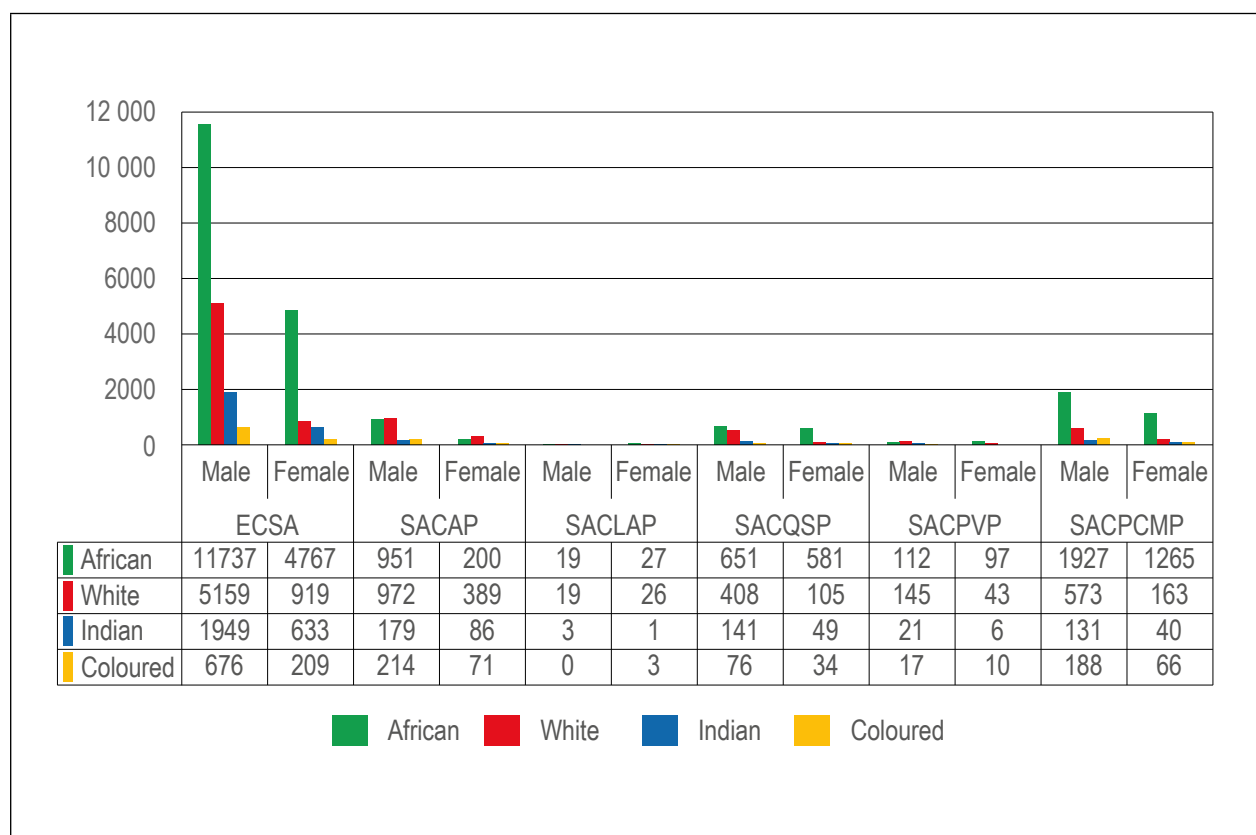


Figure 19: CBEP Candidate Profile per Gender, Race and Profession
(Source: CBEP Fourth Quarter Report 2020/21)

This illustration compares the number of registered candidates per profession by race and gender at the end of the 2020/21 financial year. ECSA had the highest numbers of registered candidates, followed by SACPCMP, SACAP and SACQSP, while SACLAP and SACPVP's contribution to the number of registered candidates in the BE is relatively low. The illustration alludes to male domination in the BEPs candidate membership, with African males dominating ECSA, SACPCMP and SACQSP membership, while white males dominated SACAP and SACPVP candidate membership. Hence, the illustration accordingly demonstrates improved access to the candidate 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.

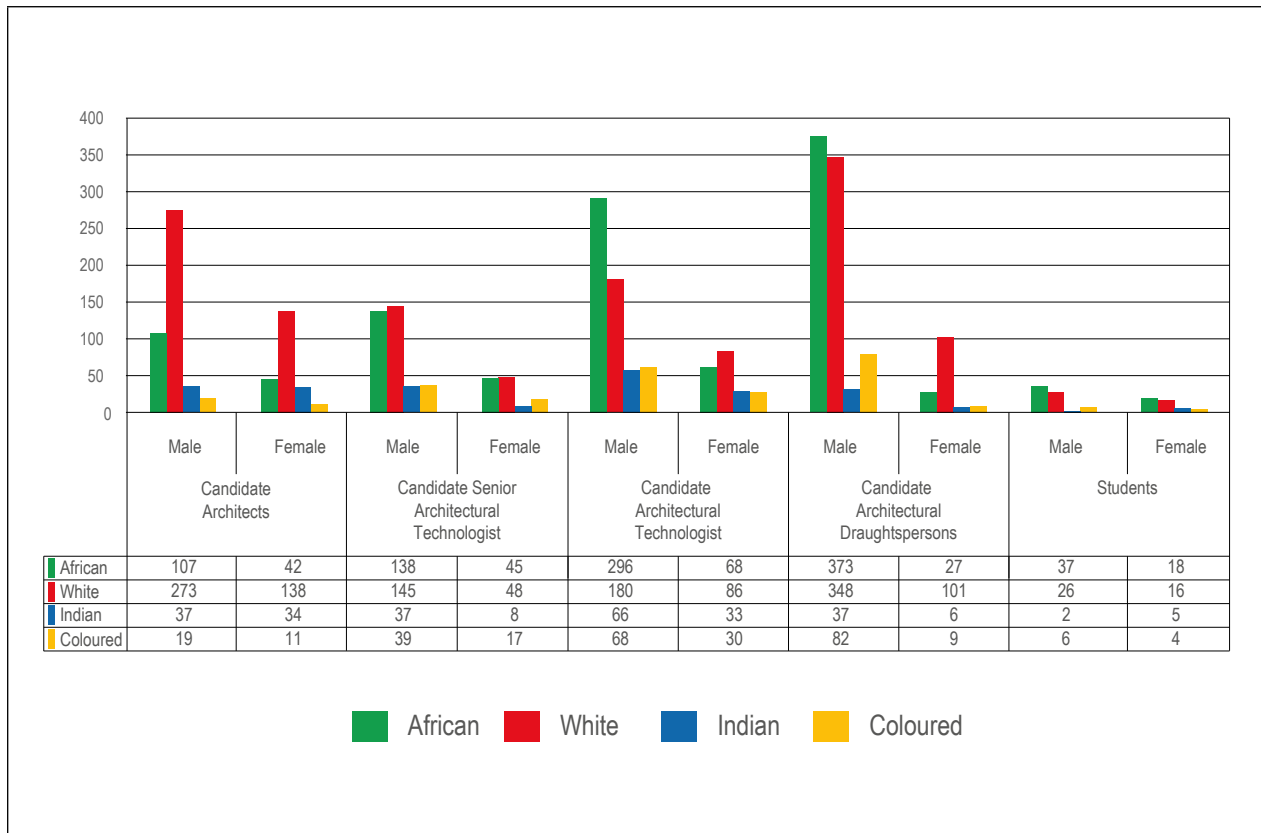


Figure 20: SACAP Candidate Profile per Gender, Race and Discipline
(Source: SACAP Fourth Quarter Report 2020/21)

The figure above indicates that by the end of the 2020/21 financial year SACAP had registered 3062 candidates - 1361 whites, 1151 Africans, 285 coloureds and 265 Indians/Asians. Ninety-three percent of the registered candidates are South African and 7% Non-South African, while only 2% of the registered candidates are living with a disability. The analysis depicts that there is a huge imbalance in SACAP's racial and gender profiles, as the white population remains the most dominant group and most of the registered candidates are male. The analysis, thus, highlights the constant need to include females in this male dominated industry, particularly of the African, Indian, and coloured population groups, to ensure progress towards a more equitable landscape in the Architecture profession.

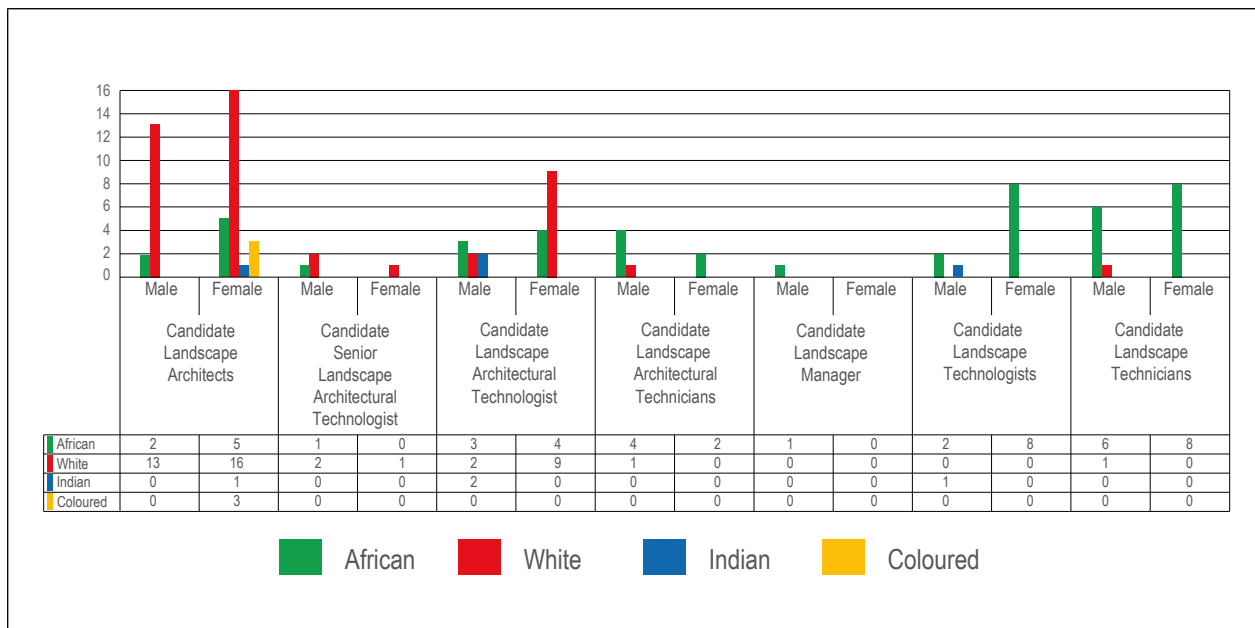


Figure 21: SACLAP Candidate Profile per Gender, Race and Discipline
(Source: SACLAP Fourth Quarter Report 2020/21)

In this graph, SACLAP candidates are compared by gender, race, and discipline at the end of the 2020/21 financial year. The analysis indicates that SACLAP has made progress towards achieving a more equitable demographic profile, with a racial profile of 47% African, 46% whites, while both the Indian and coloured groups account for the remaining 7%. White females remain the largest group of candidates within SACLAP, followed by white males and African males. The graph explicitly illustrates that SACLAP is the only CBEP with more registered females (58%) than males (42%). While both the racial and gender profiles have significantly improved, the representation of the Indian and coloured population groups is almost non-existent in all seven categories. The need to increase access to SACLAP's professions by the two minority groups is evident.

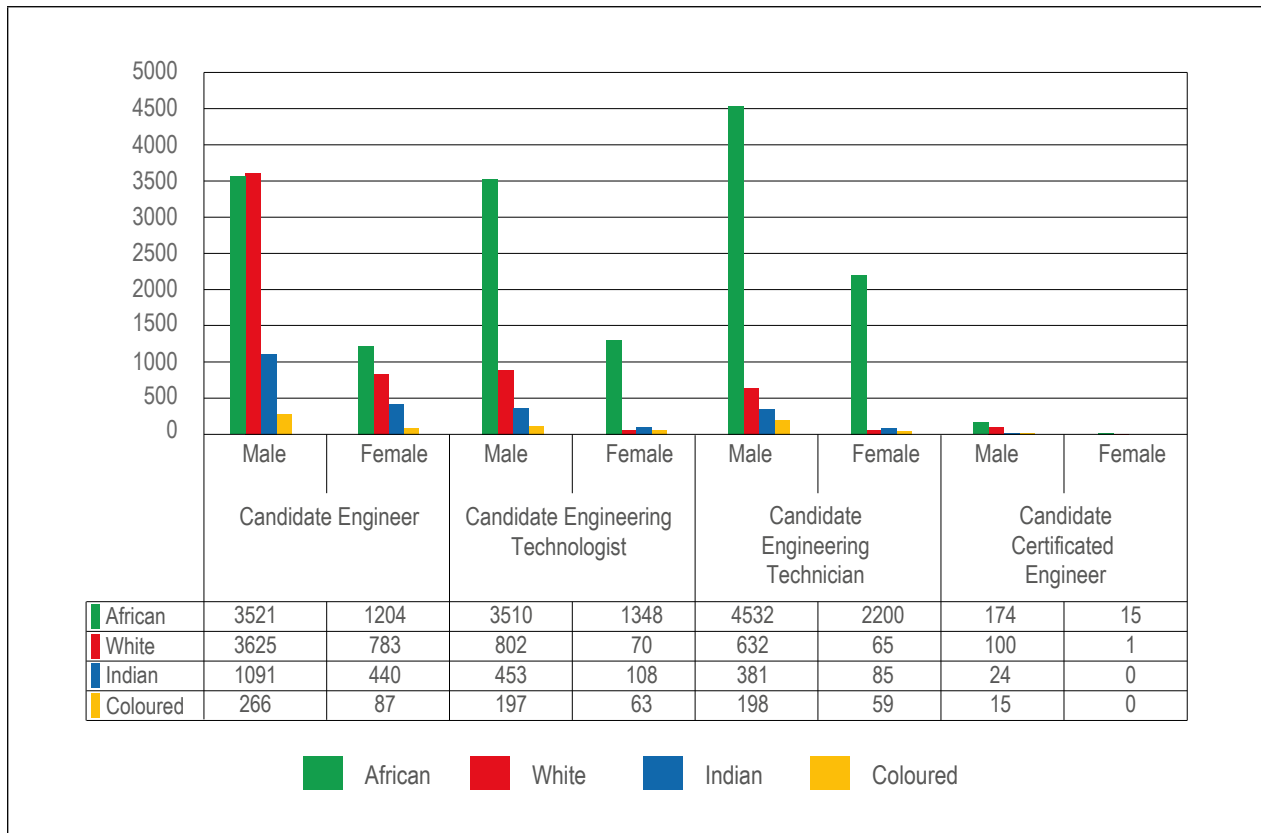


Figure 22: ECSA Candidate Profile per Gender, Race and Discipline
(Source: ECSA Fourth Quarter Report 2020/21)

Figures 12 and 22 emphasise ECSA's dominance in the CBEP in terms of registered persons in both the professional and candidate memberships. As per the norm across all the professional councils, ECSA's candidate membership is dominated by males, with African males dominating three of the recognised ECSA categories viz. Candidate Engineering Technician, Candidate Engineering Technologist and Candidate Certificated Engineer. However, it is also worth highlighting that ECSA has the highest numbers of registered females in both its professional and candidate memberships compared to the other five CBEP. The graph above also portrays that ECSA has made substantial progress towards transformation, with a racial profile of 63% Africans, 23% whites, while the Indian and coloured groups account for the remaining 14%.

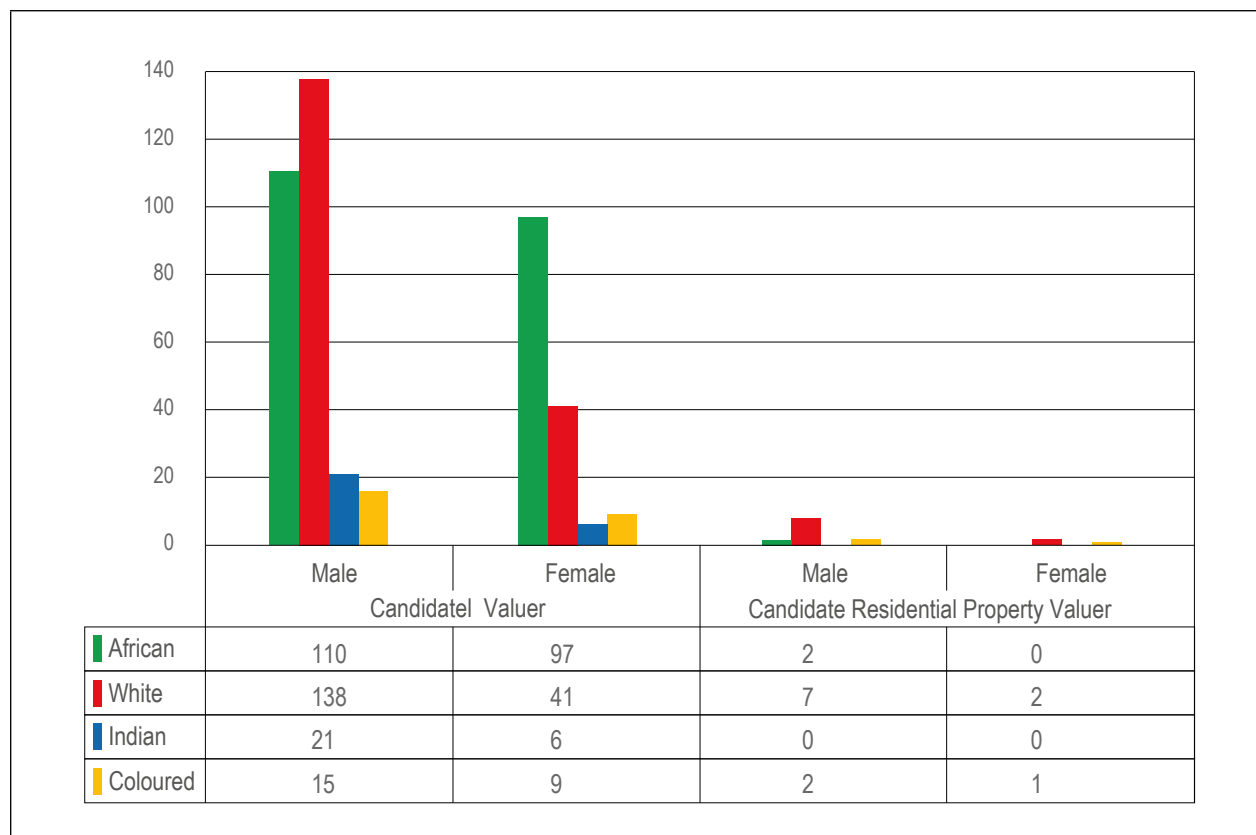


Figure 23: SACPVP Candidate Profile per Gender, Race and Discipline
 (Source: SACPVP Fourth Quarter Report 2020/21)

This graph compares the number of SACPVP's candidates by gender, race, and category at the end of the 2020/21 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. The graph 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.

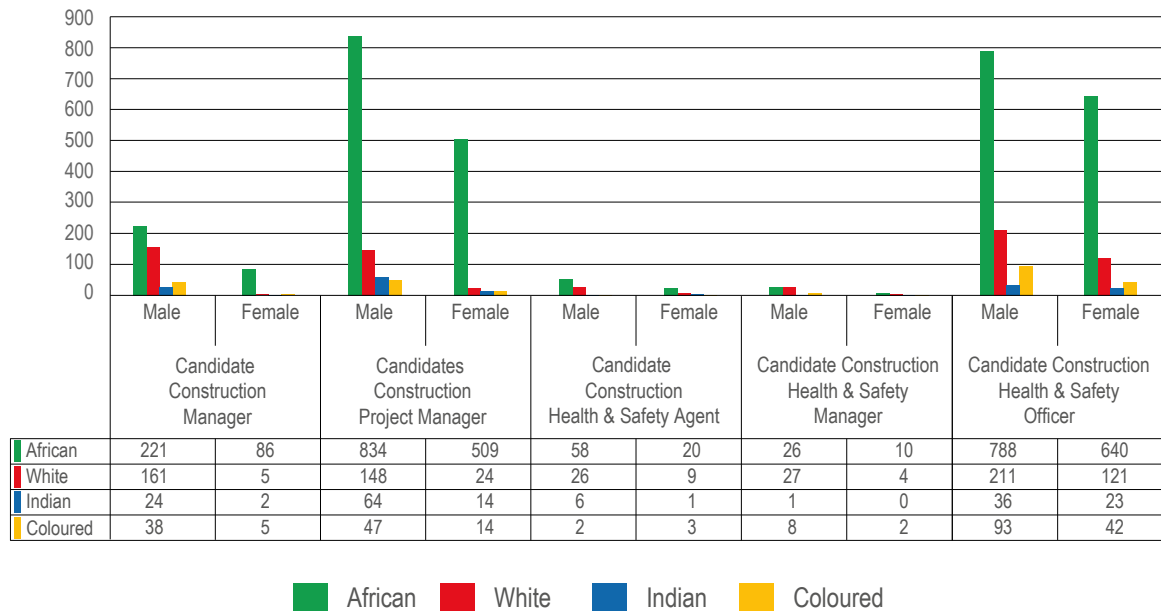


Figure 24: SACPCMP Candidate Profile per Gender, Race and Discipline
(Source: SACPCMP Fourth Quarter Report: 2020/21)

The illustration above mirrors the racial and gender profiles of all the other five CBEP, alluding to male dominance in all identified SACPCMP disciplines. Moreover, the coloured and Indian population groups remain underrepresented compared to the other population groups. However, the 2020/21 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 2020/21 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.

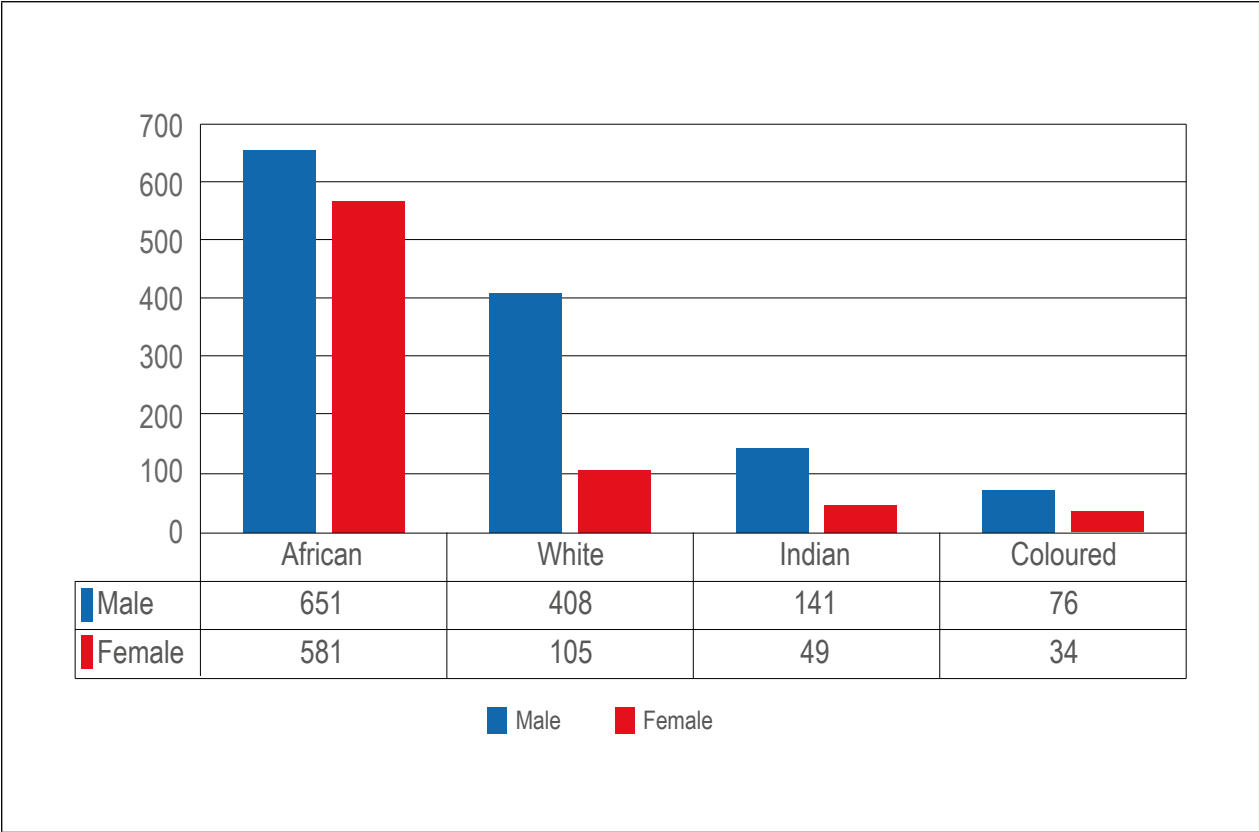


Figure 25: SACQSP Candidate Profile per Gender and Race
(Source: SACQSP Fourth Quarter Report 2020/21)

This graph compares the number of SACQSP candidates by gender, race and discipline at the end of the 2020/21 financial year. Africans accounted for 60% of the registered candidates, followed by whites at 25%, Indians at 9% and lastly coloureds at 6%. Males continue to account for the majority of the registered persons within SACQSP, accounting for 62% of registered individuals, while females account for the remaining 38%. However, it also worth noting that significant progress has been made towards transformation, with an increase in racial representation, particularly Africans. Nevertheless, the need to improve female access to SACQSP candidate opportunities remains crucial to ensure a more demographically transformed SACQSP profile.

The 2020/21 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 by 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.

Milestones in Policy Implementation – 2020/21 Financial Year

SACLAP introduced a special dispensation to all candidates and members of the public seeking Professional registration for a limited period. This means that the Professional Registration Assessment Process (PRAP) has been suspended until further notice. This measure was adopted to boost registration numbers. Candidates registered for an extended period can submit a portfolio of evidence (which show cases their knowledge and competencies) to be assessed against the SACLAP Core Competency table.

The special dispensation is one way in which SACLAP seeks to promote transformation and diversity in the profile of its register. It also allows applicants with little or no formal qualifications but who have been in the industry for more than ten years to apply for professional registration.

SACLAP instituted a policy review of the 2016 Registration Policy and the associated documents for both categories of Landscape Management and Landscape Architectural Professions. The review is geared towards streamlining processes and removing identified barriers to registration. The key driver of this decision is to grow the register so that the demographic of registered persons starts changing to correctly mirror the demographics of the country, as reported by Statistics South Africa.

SACPCMP embarked on an upgrade of its registration platform to improve registration processes, security, and governance. It commenced with a full upgrade of its registration systems in early 2020. By July, the new system had fully integrated the SACPCMP's financial platforms and just over 65% of the new platform was operational. The Continuing Professional Development (CPD) platform was developed and operational to commence CPD activity in the third quarter.

Two new professions, Professional Building Inspectors (PrBInsp) and Certified Building Inspector (CBInsp) categories, were recently introduced at the SACPCMP Council. A mandate to recognise new professions has long existed as identified by the CBE. It, however, did not have a guiding policy in place and therefore was not operationalised as per the requirements of the CBE Act. The development of policy to regulate these new professions will commence in the 2021/ 22 financial year. Due process of formally informing the CBE about the Recognition of New Professions will be followed during the 2021/22 financial year.

Challenges in Policy Implementation – 2020/21 Financial Year

SACPCMP's upgrade of their registration platform, planned for completion by the end of March 2020, was delayed. An additional scope to the project extended it well into September 2020.

In addition, registration was further affected by the Covid-19 pandemic and subsequent economic lockdowns. These impacted on registered persons' ability to pay their registration and annual fees. A key strategic thrust is to grow the register of registered persons in the disciplines under the custodianship of SACPCMP. SACPCMP maintained registration growth during the 2020/21 financial year; however, this was not realised across all categories of registration.

The database of registered persons decreased by approximately 0.97% - from 11663 on 31 March 2020 to 11424 on 31 March 2021.

SACQSP's Registration Policy is undergoing changes. Incomplete information from prospective candidates delays the registration process. Currently, there are 54 incomplete registrations. These pending applications are excluded in statistical returns.

SACQSP's agreement with SAQA is not without challenges. Prospective candidates are unable to register without SAQA verifications, a costly and time-consuming exercise. To exacerbate matters, many candidates were retrenched due to Covid-19, resulting in SACQSP's numbers fluctuating.

6.5 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 the CBEP Council's term of office. If the CBEP does not conduct an accreditation visit within its Council's current term of office, it must notify the Minister accordingly and provide reasons for its failure to do so. The CBEP 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*.

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 BE teaching programmes offered at universities and UoTs.

All six CBEP did not conduct any accreditation visits during the 2020/21 financial year, due to the Covid-19 pandemic and its associated restrictions regarding travel and social distancing. During the 2020/21 financial year, the following accreditation activities were reported by the CBEP:

SACAP

Deserving students were nominated for the 2021 SACAP bursaries across the 11 Accredited Learning Sites (ALS), with the allocation of one per ALS. SACAP supported a new programme, the Higher Certificate in Architectural Technology offered by The Learning Box Studio. SACAP has three validation visits scheduled for 2021 to the University of Cape Town, Wits and University of KwaZulu-Natal.

SACPVP

SACPVP, during its previous Council's term of office, visited all six tertiary educational institutions that offer valuation programmes to assess whether these were worthy of accreditation. A total of eleven programmes are presently accredited - four masters, two post graduate diplomas, four bachelor's degrees and one diploma. SACPVP planned to conduct two online accreditation visits in the ensuing (2021/22) year and the last four visits during the 2022/23 financial year. In terms of the Property Valuers Profession Act, 2000, all valuation programmes should be accredited during each SACPVP Council's term of office - the term of office for the current Council began in July 2018 and will end in June 2022. It must be noted that the accreditation status of programmes remains valid until the next accreditation visit.

SACQSP

SACQSP is currently working on revising the accreditation policy to accommodate and recognise changes within the Quantity Surveying discipline.

The challenge is that UoTs are struggling to meet the minimum requirements regarding certain criteria in the accreditation policy.

Table 60 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 60: Institutions with Built Environment Programmes and their Accreditation Status

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
University of Johannesburg	Diploma: Architectural Technology (Dip Arch)	N/A	N/A	BCom and BCom (Hons)	National Diploma: Building	National Diploma - (Building)
	BTech: Architectural Technology				Bachelor of Technology: Construction Management	Bachelor of Technology - (Quantity Surveying)
	BArch (Bachelor of Architecture)					
	MTech: Architectural Technology (professional)					

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
Walter Sisulu University	N/A	N/A	<p>Butterworth Campus (Ibika Delivery Site)</p> <p>National Diploma: Engineering: - Civil - Electrical - Mechanical</p> <p>Buffalo City Campus College Street Delivery Site)</p> <p>National Diploma: Engineering: - Civil - Electrical</p> <p>Baccalaureus Technologiae Degree: - Engineering: Civil (Transportation) - Engineering: Civil (Water - Engineering: Electrical</p> <p>Buffalo City Campus (Chiselhurst Delivery Site)</p> <p>National Diploma: Engineering: Mechanical</p> <p>Baccalaureus Technologiae Degree: Engineering: Mechanical</p>	N/A	National Diploma: Building	<p>National Diploma -(Building)</p> <p>Bachelor of Technology - (Quantity Surveying)</p>

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
Nelson Mandela University	<p>Bachelor of Architectural Studies (BAS)</p> <p>Master of Architecture (MArch)</p>	N/A	<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 	N/A	<p>BHSD</p> <p>National Diploma: Building</p> <p>Bachelor of Technology: Construction Management</p> <p>CM</p> <p>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 	<p>ND -(Building)</p> <p>Bachelor of Technology-(Quantity Surveying)</p> <p>Bachelor of Quantity Surveying</p> <p>Bachelor of Science (Hons) in Quantity Surveying</p>

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
Tshwane University of Technology	B Tech Architecture (Professional), renamed as the BArch from 2017	N Dip Landscape Technology	Bachelor in Engineering Technology in	N/A	National Diploma: Building	ND -(Building)
	B Tech Architecture (Professional) with extended curriculum, renamed as the BArch (Ext) from 2018 onwards	B Tech Landscape Technology	- Civil Engineering - Mechanical Engineering - Mechatronics Engineering		Bachelor of Technology: Construction Management	Bachelor of Technology - (Quantity Surveying)
	B Tech Architecture (Technology)					
	M Tech Architecture (Professional), renamed as the MArch from 2018 onwards					

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
Durban University of Technology	Diploma: Architectural Technology Bachelor of Architecture Architectural Technology (BArch)	N Dip (naming is unclear)	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)	N/A	National Diploma: Building Bachelor of Technology: Construction Management	National Diploma -(Building) Bachelor of Technology - (Quantity Surveying)

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
Cape Peninsula University of Technology	Diploma: Architectural Technology Bachelor of Technology: Architectural Technology	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 in Engineering Technology in - Chemical Engineering - Civil Engineering - Industrial Engineering - Mechanical Engineering Mechanical Engineering in Mechatronics	National Diploma in Real Estate (Property Valuation)	National Diploma: Building Bachelor of Technology: Construction Management	National Diploma - (Building) Bachelor of Technology - (Quantity Surveying)
Mangosuthu University of Technology	N/A	N/A	N/A	N/A		National Diploma - (Building) Bachelor of Technology - (Quantity Surveying)

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
Central University of Technology	N/A	N/A	Diploma in Engineering Technology in Civil Engineering Bachelor of Engineering Technology in Civil Engineering Diploma in Engineering Technology in - Electrical Engineering - Mechanical Engineering Bachelor of Engineering Technology in Mechanical Engineering	N/A	National Diploma Bachelor of Technology: Construction Management	National Diploma - (Building) Bachelor of Technology - (Quantity Surveying)
Vaal University of Technology (Secunda Campus)	N/A	N/A	Diploma in Engineering Technology in - Chemical Engineering - Electrical Engineering Diploma in Engineering in - Industrial Engineering - Mechanical Engineering Metallurgy Engineering	N/A	N/A	N/A
University of Cape Town	Bachelor of Architectural Studies (BAS) Bachelor of Architectural Studies [BAS (Hons)] Master of Architecture (Professional) (M. Arch)	Masters Landscape Architecture Professional BLA Hons (1year) MLA (1 year)	N/A	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	Bachelor of Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
University of Free State	Bachelor of Architectural Studies (BAS)	N/A	N/A	MPROP (Property Valuation)	Bachelor of Science: - Construction Management - (Hons) Construction Management Masters of Land and Property Management (MLPM)	Bachelor of Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying
	Bachelor of Architectural Studies [BAS (Hons)]					
	Master of Architecture (Professional) (M. Arch)					
University of KwaZulu-Natal	Bachelor of Architectural Studies (BAS)	N/A	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	N/A	N/A	Bachelor of Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying
	Master of Architecture (MArch)					
University of Pretoria	Bachelor of Architectural Sciences (BSc Arch)	BSc Landscape Architecture - Architecture Honours	Bachelor of Engineering - Computer Engineering - Electrical Engineering - Electronic Engineering	MSc in Real Estate BCom and B Com (Hons)	Bachelor of Science: - Construction Management - (Hons) Construction Management Master of Science in Project Management	Bachelor of Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying
	Bachelor of Architectural Science (Hons) [BSc Arch (Hons)]	Masters Landscape Architecture Professional				
	Master of Architecture (Professional) (March [Prof])					

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
University of Witwatersrand	Bachelor of Architectural Studies (BAS) Bachelor of Architectural Studies [BAS (Hons)] Master of Architecture (Professional) (M. Arch)	N/A	Bachelor of Science in Engineering in the Branch of - Chemical Engineering - Civil Engineering - Electrical Engineering - Electrical Engineering, Information Engineering	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	Bachelor of Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying
University of South Africa	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)	National Diploma: - Chemical Engineering (Environmental) - Civil - Electrical - Industrial - Mechanical - Mining Bachelor of Technology (BTECH): - Chemical - Civil (Environmental, Structural, Urban, Water) - Industrial - Mechanical	N/A	N/A	N/A
North West University	N/A	N/A	Bachelor of Engineering - Electromechanical Engineering - Industrial Engineering	N/A	N/A	N/A
Namibian University of Science & Technology (NUST)	Bachelor of Architecture- Bachelor of Architecture (HONS)	N/A	N/A	N/A	N/A	N/A

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACPQSP
Inscape	Higher Certificate: Architectural Technology	N/A	N/A	N/A	N/A	N/A
School of Explorative Architecture (SEA)	Bachelor of Architectural Studies (BAS)	N/A	N/A	N/A	N/A	N/A
	Bachelor of Architectural Studies (HONS)					
	MArch (Prof)					
Arcia School of Architecture	Advanced Certificate in Architectural Technology	N/A	N/A	N/A	N/A	N/A
My Academy (also known as The Academic Institution of Excellence: AIE)	Higher Certificate in Architectural Technology-	N/A	N/A	N/A	N/A	N/A
	Diploma in Integrated Architectural Technology					
	Advanced Diploma in Integrated Architectural Technology					
	Diploma in Interior Architecture Design					
STADIO holdings	Higher Certificate in Architectural Practice	N/A	N/A	N/A	N/A	N/A
	Bachelor of Architecture Postgraduate Diploma in Architecture					
	Masters in Architecture					
The Learning Box Studio	Higher Certificate in Architectural Technology	N/A	N/A	N/A	N/A	N/A

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

- (a) Resourcing the accreditation review panel; individuals are busy in their practices and the number of willing volunteers is limited
- (b) Cost of accreditation to higher education institutions
- (c) Institutions of Higher Learning were undergoing curriculum review and thus asked for postponements

SACAP highlighted that several colleges are offering architectural education without being validated; graduates from these colleges encounter problems to register with SACAP. SACAP will undertake a programme to assist these colleges to have their programmes validated.

SACPCMP indicated that four out of twelve institutions maintained a similar level of compliance in their Annual Programme Accreditation Report compared to the last financial year. Two institutions had a 1% drop whereas, five had a drop of 10% and more, with the worst being 19%. The University of Johannesburg (UJ) did not submit their Annual Programme Accreditation Report.

It is important to note that Walter Sisulu University (WSU) who recently had their accreditation provisionally re-instated only managed to comply with 30% of the accreditation criteria. The two other institutions which also fared poorly are Nelson Mandela University [NMU (BHSD)] and Durban University of Technology.

During the 2020/21 financial year, Covid-19 restrictions delayed the submission of reports, which it made it very difficult to keep in contact with Heads of Departments at SACPCMP accredited institutions.

UKZN proposed at phasing out the BSc Property & Development degree. SACQSP hence resolved those students writing exams in 2019 will exit with an SACQSP accredited degree, whereas those who will qualify post- 2019 will exit with a non-accredited degree, if the university does not comply with the current accreditation conditions.

The main reason for SACQSP's decision is that the University did not meet the accreditation requirement of full-time lecturers.

SACLAP accepted applications from institutions due to be accredited in the year under review (viz. University of Pretoria and University of Cape Town) for postponement. SACLAP notified the Minister in accordance with section 13(a) of the Landscape Professions Act.

6.6 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 statutorily 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

Recognition of Prior Learning (Annual Statistics)	Total
Number of professionals upgraded through RPL (1 April 2020 - 31 March 2021)	18
Percentage of successful RPL applications	53%
Number of unsuccessful applications for upgrade through RPL	16
Total number of applications for RPL Assessment	1030
Number of RPL applications rejected/incomplete	690

SACLAP

Recognition of Prior Learning (Annual Statistics)	Total
Number of professionals registered through RPL (1 April 2020 - 31 March 2021)	55
Percentage of registered professionals through RPL	100%
Number of registration applications through RPL (LA/LM)	68
Number of RPL applications rejected/incomplete	11
Number of RPL applications deferred	2

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 applicants for registration through RPL – Alternative Route (Education)	4
Number of RPL applications pending (Education)	0
Number of RPL applications rejected – no recognition (Education)	0

SACPVP

Recognition of Prior Learning (Annual Statistics)	Total
Number of candidates registered through RPL	1
Percentage of registered candidates through RPL	0,22%
Number of registration applications through RPL	2
Number of RPL applications rejected	0

SACPCMP

Recognition of Prior Learning (Annual Statistics)	Total
Number of professionals registered through RPL	0
Percentage of Registered Professionals through RPL	0%
Number of applicants who paid to pursue registration through RPL	16
Number of RPL applications in process	16
Number of RPL applications rejected	1
Number of RPL applicants who passed professional interview	3

SACQSP

Recognition of Prior Learning (Annual Statistics)	Total
Number of candidates registered through RPL	0
Percentage of registered professionals through RPL	0%
Number of registration applications through RPL	0
Number of RPL applications rejected	0

The reasons for rejecting 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

6.7 Continuing Professional Development

The purpose of Continuing 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 develops 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 61: Percentage of Registered Professionals who Comply with CPD Requirements

CBEP	CBEP Percentage of Registered Professionals who Comply with CPD Requirements
SACLAP	100%
ECSA	53.32%
SACPVP	60%
SACQSP	41.3%

(Source: CBEP Fourth Quarter Report 2019/20)

CPD Challenges

The following challenges were encountered by the CBEP during the 2020/21 financial year:

SACAP

Final figures will only be available once all the CPD submissions have been evaluated. Council granted an extension until the end of December 2020, to all Registered Professionals due to renew their registration in January 2020. This will also be applicable to Registered Professionals due renew their registration in 2021. The extension was granted due to the challenges brought about by the Covid-19 lock-down and the availability of Category 1 CPD Activities.

SACPCMP

SACPCMP has developed a free Registration online platform to make CPD activities more accessible to registered persons.

Levels of CPD compliance are very poor. Historical records are still being transferred to the new system, which may be one reason for the poor statistics. The transfer is a lengthy manual process; however, it is expected to be completed by the first quarter of the next financial year.

SACLAP

The CPD function is delegated to the Institute of Landscape Architects of South Africa (ILASA) who is not, in all instances, applying the points consistently to activities as per the policy. It is hoped that the matter will be addressed through further engagements with the current Voluntary Association (VA) and the recognition of additional VAs.

SACLAP's CPD Policy is currently under review to ensure Council retrieves most responsibilities so that there are more accredited activities for all registered professionals, especially since more of them have been introduced. In June 2020, SACLAP finalised the assessment of CPD for all registered professionals. All registrations that were due for renewal were completed.

SACPVP

The average compliance has been 76% for most past years. Due to the Covid-19 pandemic, there were few events that registered persons could attend to gain Continuous Education and Training (CET) points. The situation is expected to improve as online events continue to be available. A professional who has not complied with the CET/ CPD requirements will not be issued a letter of good standing should s/he require one. In order to assist registered persons to obtain the required number of CET hours, workshops are held throughout the year and will continue to do so. Professionals now attend, for CPD points, an annual week-long work-school, meant as an orientation for candidates to become professionals. This workshop covers a wide range of valuation topics that serve to refresh professionals' knowledge and practical work.

For now, SACPVP recognises CPD points from property related workshops and conferences. The effective date of the decision for service providers to be recognised and their courses validated CET/ CPD hours/ points was postponed from 01 April 2020 due to Covid-19; the new effective date is yet to be announced.

ECSA

As a result of the Covid-19 pandemic, the overall CPD compliance submissions received decreased during the 2020/21 financial year. This led to the approval of the compliance exemption by the High Impact Committee (HIC) for the year 2020. All registered persons were awarded five credits for the year irrespective of their compliance stance. These credits were for the year 2020 and could not be carried over to the subsequent year or cycle.

The Central Registration Management (CRM) system remains a challenge, both in terms of internal CRM user experience and in terms of the portal for the registered person. The CPD Unit is currently awaiting the implementation of system enhancements, identified in July 2019. The CPD Unit believes that the successful functioning of ECSA's ICT systems will provide a permanent solution to practitioners' current problems regarding monitoring and implementing CPD processes and non-compliance. The CPD Unit further believes that it will be able to reach and maintain a monthly response rate of 58% or higher in future.

SACPCMP

- (i) Registered persons submit their CPD files at the end of their five-year cycle, instead of annually, making administrative work cumbersome to manually upload submissions
- (ii) Registered persons do not comply with CPD requirements (despite repeated reminders), resulting in a number of de-registrations
- (iii) Registered persons' complaints on service providers' costs for courses and accessibility of venues
- (iv) Those registered equivalently with other CBEP find no compatibility due to different and varying CPD requirements
- (v) Service Providers (registered professionals) who submit CPD validations for assessment must be remunerated, resulting in delays

SACQSP

CPD enforcement has resulted in high number of voluntary de-registration of retired persons, non-practicing PrQS and persons no longer residing in South Africa.

6.8 Agreements and Partnerships

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

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

- (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 2020/21 outlined the following regarding agreements:

SACAP

- (1) SACAP entered into a MoU with KwaDukuza Municipality. The objective is to ensure that SACAP and the Municipality work together to ensure that only registered persons who are competent submit applications for approval
- (2) Internationally, SACAP signed a MoU with Canberra Accord

SACLAP

International recognition of qualifications is becoming increasingly important. SACLAP is currently investigating possibilities of linkages with the organisations such as IFLA (International Federation of Landscape Associations) and World Urban Parks Association (WUPA)

No new agreements were concluded during the 2020/21 financial year.

ECSA

ECSA is a signatory to three accords:

- (1) Washington Accord
- (2) Sydney Accord
- (3) Dublin Accord

ECSA is a member of 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 (IVSC), a body that sets international valuation standards.

SACPVP is developing a Monitoring Framework to assist in ensuring compliance with municipal valuation standards. The standards have been developed in collaboration with the Local Government Sector Education and Training Authority (LGSETA) to improve the standard of valuation reporting for municipal rating purposes. These standards will be compared and adapted to the International Association of Assessing Officers' (IAAO) standards as well as the IVSC to ensure international harmonisation of standards on municipal roll valuations. The process is expected to conclude soon.

SACPVP has registered a new qualification for Municipal Property Assessors with the Quality Council for Trades and Occupations (QCTO). This qualification will be at NQF level 5. Graduates of this qualification will assist local governments, especially small ones, to deliver on the Local Government Municipal Property Rates Act, 2004 (MPRA). They will be able to ensure compliance with the MPRA, collect data on properties within a municipality, determine market values for single residential properties and maintain integrity of municipal data.

SACPVP intends to sign a Memorandum of Agreement with Rand Water on training Plant and Equipment assessors / valuers. Rand Water employs a team of engineers who assess the conditions of their machinery and equipment for reliable water storage and supply. SACPVP deems this collaboration important as, in order to comply with acceptable financial reporting standards, Rand Water has to reflect fair/ market values of their machinery and equipment.

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. An appropriate course has been introduced by one of the tertiary educational institutions to ensure this. About eight courses so far have been held across the country, mainly in Western Cape and Gauteng, where valuers are concentrated.

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 those government departments and bodies that request valuations for acquisition or disposal of government property

SACPCMP

- (1) The aim of a policy framework for International Agreements is to ensure that such agreements are entered into with due consideration of:
 - (a) their implications for the profession and for other professions in the Built Environment
 - (b) government policies and existing international agreements
 - (c) the professional council's capacity to enter into such agreements
- (2) The framework will allow for a uniform approach when engaging in international agreements between the DPWI, CBE and professional councils.
- (3) Furthermore, the framework will establish a process of engaging with the department responsible for foreign affairs and international relations in South Africa regarding international agreements.

SACPCMP concluded a MoU with the Chartered Institute of Building (CIOB) in May 2020 to enhance collaboration in developing a wide range of areas of mutual benefit in the professions' governance space. The MoU with the CIOB will be reviewed further in order to enhance the partnership study between the two entities. The decision for a MoU over a Memorandum of Agreement (MOA) with the CIOB was based on the implication that levels of enforceability would be greater with the former than the latter instrument. A standard MoA template was subsequently developed and presented to the CIOB for consideration.

SACQSP

There were no new agreements.

6.9 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) *promote appropriate standards of health, safety and environmental protection within the built environment*

6.9.1 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 SACPVF), 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 during their suspension
- (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 steps for a registered person to amend another registered person's plans (client consent is not sufficient)
- (g) No committee member available for general advice

General Penalties

Decisions by the CBEP to take disciplinary action impacts on 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 six CBEP received the following complaints by, according to the CBEP Fourth Quarter Report 2020/21:

SACAP

SACAP is adequately enforcing the rules of professional conduct and protects the public against registered persons.

All complaints against persons who are not registered are referred to the South African Police Services for investigation and prosecution.

Thirty-two complaints were received for the 2020/21 financial year and are all still in progress. The nature of the complaints was 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 during suspension
- (g) Practices not registered with SACAP providing architectural services
- (h) Misrepresentation
- (i) Failure to obtain necessary consent to amend another registered person's plans ("copyright infringement")
- (j) Registered persons undertake work out of their category of registration

SACLAP

One complaint was received and finalised. The registered professional, found guilty of professional misconduct, was cautioned and reprimanded.

ECSA

Five new complaints were received relating to competency/design error.

Thirty-four existing complaints are in progress.

Two complaints were withdrawn.

SACPVP

Thirty-one complaints of improper conduct were received, and their status is as follows:

- | | |
|-----------------|----|
| (a) Completed | 10 |
| (b) In progress | 21 |
| (c) Withdrawn | 0 |

Complaints still under investigation relate to:

- (a) under-valuation
- (b) over-valuation
- (c) fraud and dishonesty
- (d) conflict of interest
- (e) failure to maintain high standards
- (f) properties not adequately inspected
- (g) valuation report plagiarised
- (h) not compliant with International Valuation Standards (IVS)
- (i) incorrect methodology used

SACQSP

Thirteen complaints were received and are all still in progress. The nature of the complaints received are as follows:

- (a) Breach of the SACQSP Code of Conduct
- (b) Candidate working for their own account
- (c) Poor quality of work
- (d) Misrepresentation as a registered QS

SACQSP has successfully reviewed and amended the Code of Professional Conduct during the 2020/21 financial year. The new Code of Professional Conduct has been circulated to the profession for comment.

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

Fifteen appeals were received, ten have been completed and five are still in progress.

Challenges

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.

6.10 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 the Department of Labour and Employment'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 the BE and CPD programmes to incorporate substantive health and safety and environmental sustainability knowledge to increase their competence in these areas.

SACAP

Three cases of Covid-19 infections were reported. The following measures were put in place to protect employees and stop the spread of the virus:

- Ten days isolation for infected employees. Employees with flu symptoms were allowed to work from home to avoid infecting others
- Employees still work on a rotational basis during Level 1 lockdown regulations at 50% capacity. A daily register records employees' temperature

SACPVP

SACPVP has impressed on educational institutions to include relevant Safety, Health and Environment (SHE) issues in the valuation syllabus. Valuers valuing property within a development that requires an Environmental Impact Assessment (EIA) must indicate the impact of the environment on future values of that property.

6.11 Sustainable and Integrated Development

6.11.1 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 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 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, conducted during the last quarter of the previous financial year between the CBE, CBEP and DPWI, 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.

In the 2020/21 financial year, engagement meetings were convened between CBE, CBEP, DPWI and the CC during the second and third quarters of the financial period. Amongst items discussed, the meetings looked at what was exactly required for the development of the IDoW policy by the respective CBEP, and the role of the CC in this regard.

In the 2020/21 financial year the CBE gazetted the identification of work (IDoW), which is critical to guide the six Councils for the Built Environment (CBEP) to develop their rules to enable them to regulate their registered Built Environment Professionals. The CBEP indicated that the IDoW policy research and development will commence during the 2021/22 financial year.

The CBE IDoW Policy Framework requires research on skills, competencies and knowledge areas to empower professionals to perform the scope of work under IDoW. It also requires consultation with Government, Built Environment stakeholders and the public as a component of Council's stakeholder map to determine the impact of the IDoW on legislation regarding skills, competencies and knowledge areas required by professionals to perform the scope of work.

The SACPCMP, in consultation with the CBE, will undertake this process during the 2021/22 financial year. The exercise will include testing market efficiency and gaps in consumer information to meet the requirements of the Competition Commission.

6.11.2 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. SACPCMP Council took the decision on 30 September 2020 to appoint an independent external expert, an Actuarial firm, to conduct a market analysis for the determination of the 2021 Guideline Tariff of Fees. A service provider was appointed in April 2021 and the fees are expected to be gazetted in November 2021.

6.11.3 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 as set out in the CBEP Act.

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 candidates
- (iv) Serve as members of evaluation committees for programme accreditation at higher education institutions which offer Built Environment qualifications

In recognition of Voluntary Associations, the CBE Policy Framework on Voluntary Frameworks was formally adopted by Council on the 30 September 2020 until the SACPCMP is able to develop its own policy in this regard. During the Voluntary Associations Forum meeting on the 10 November 2020, the Council tabled a presentation to the Forum that existing Terms of Reference of the Voluntary Associations, that recognises the Voluntary Associations will be reviewed and aligned with the CBE Policy Framework.

Table 62: Number of Voluntary Associations Recognised by the CBEP

CBEP	Number of VAs Recognised	Number of VAs Not Recognised
SACAP	13	0
SACLAP	3	0
ECSA	51	0
SACPVP	3	0
SACPCMP	13	3
SACQSP	1	1

(Source: CBEP Fourth Quarter Report 2020/21)

Reasons for Non - Recognition of Voluntary Associations

- (i) Do not meet the minimum requirements of the guidelines
- (ii) CBEP awaits full compliance with requirements for recognition







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