

ANNUAL REPORT

2021/22



**COUNCIL FOR THE
BUILT ENVIRONMENT**

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COUNCIL
FOR THE BUILT
ENVIRONMENT







BUILDING SOUTH AFRICA'S FUTURE

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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
POSTAL ADDRESS:	P O Box 915 Groenkloof 0027
TELEPHONE NUMBER/S:	+27 (0) 12 346 3985 / +27 (0) 87 980 5009
FAX NUMBER:	+27 (0) 12 346 3986
EMAIL:	registrar@cbe.org.za
WEBSITE:	www.cbe.org.za
EXTERNAL AUDITOR:	Auditor-General South Africa
BANKER:	Standard Bank
JUDIRISDICTION:	The CBE is a Schedule 3A Public Entity under the Department of Public Works and Infrastructure
ACCOUNTING AUTHORITY:	CBE Council

2. Abbreviations/Acronyms/Definitions

AGSA	Auditor-General South Africa
APP	Annual Performance Plan
BBBEE	Broad-based Black Economic Empowerment
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
CC	Competition Commission
CEO	Chief Executive Officer
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
cidb	Construction Industry Development Board
CIOB	Chartered Institute of Builders
COO	Chief Operations Officer
CPD	Continuous Professional Development
CRM	Central Registration Management
COGTA	Cooperative Governance and Traditional Affairs
CRS	Consultants Roster System
Council	CBE Council (accounting authority of the organisation)
DDM	District Development Model
DHE&I	Department of Higher Education and Innovation
DPSA	Department of Public Service and Administration
DPWI	Department of Public Works and Infrastructure
EAPASA	Environmental Assessment Practitioners Association of South Africa
ERRP	Economic Recovery and Reconstruction Plan
FIDPM	Framework for the Infrastructure Delivery and Procurement Management
4IR	Fourth Industrial Revolution
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individuals
HR	Human Resources
ICT	Information Communications Technology
IDMS	Infrastructure Delivery Management System
IDoW	Identification of Work
IEA	International Engineering Alliance
IoT	Internet of Things
IT	Information Technology
ISA	Infrastructure South Africa
IVS	International Valuation Standards
King IV™	King IV Report on Corporate Governance for South Africa
KPI	Key Performance Indicator
LG	Local Government
Minister	Minister of Public Works and Infrastructure

2. Abbreviations/Acronyms/Definitions

MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NDPIP	National Development Plan Implementation Plan
NIP	National Infrastructure Plan
NPA	National Prosecuting Authority
NQF	National Qualifications Framework
NSC	National Senior Certificate
NSG	National School of Government
NT	National Treasury
OMA	O.M.A. Chartered Accountants Inc.
OSD	Occupation Specific Dispensation
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act
PPC	Parliamentary Portfolio Committee
PPPFA	Preferential Procurement Policy Framework Act
PWI	Public Works and Infrastructure
Rakoma	Rakoma and Associates Inc
RoPSP	Register of Professional Service Providers
RP	Registered Person
RPL	Recognition of Prior Learning
SAASTA	South African Agency for Science and Technology
SAPS	South African Police Services
SCM	Supply Chain Management
SETA	Sector Education Training Authority
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SNG	SNG Grant Thornton
STEM	Science, Technology, Engineering, Mathematics
TCC	Transformation Collaborative Committee
ToR	Terms of Reference
TVET	Technical Vocational Education and Training
UoT	University of Technology
VA	Voluntary Association
WC DTPW	Western Cape Department of Transport and Public Works

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.
Voluntary Association (VA)	Any association that is recognised and registered with any of the six Councils for the Built Environment Professions in terms of section 25 of the professions Acts. The Certificate of Recognition issued by a CBEP to a VA is valid for a period of five years from the date of issue and must be renewed at least three months prior to the expiry of its recognition.

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

Transformation Collaborative Committees (TCC)

HSPPUA	Health, Safety, Public Protection and Universal Access
OSD	Occupational Specific Dispensation
PPLSED	Procurement, Policy, Legislation and Socio-Economic Development
PSCD	Professional Skills and Capacity Development
WEGE	Women Empowerment and Gender Equality

3. Foreword by the Minister of Public Works and Infrastructure



Recent life-changing events including the Covid-19 pandemic and the outbreak of civil unrest in our country have severely impacted the economy of our country and the construction industry. We cannot continue to do things the same way and expect different results.

I am proud of the way the Council for the Built Environment (CBE) is responding to these challenges and is forging ahead with fresh operational plans that recalibrate the built environment sector, some of which took germination in this past financial year under review. These plans explore 'fresh' approaches toward protecting the built environment industry, for the benefit of achieving sustainable service delivery.

I would like to congratulate the CBE on obtaining a clean audit outcome in the 2021/22 financial year, with no new irregular expenditure identified.

I have, however, noted certain issues of governance raised by a member of the public during the reporting period and have tasked the Deputy Minister to look into them. These challenges have highlighted a policy gap, as they relate to the governance space at the CBE and the Councils for the Built Environment Professions (CBEP). This policy is to be formulated in the coming financial year.

I take our commitment to fighting the scourge of fraud and corruption very seriously. The Department of Public Works and Infrastructure (DPWI) was instrumental in launching the Infrastructure Built Anti-Corruption Forum (IBACF) to mitigate the threat of corruption in the implementation of the Infrastructure Investment Plan approved by Cabinet on 27 May 2020. The CBE has reaffirmed its stance against any form of corruption in the country, as a cosignatory to the IBACF pledge. Needless to say, this mechanism provides a moment for the entire built environment sector to pause and re-imagine the future of the sector free of fraud, bribery and corruption.

Transformation of the built environment sector is pivotal to the CBE's mandate. Traditionally, its Transformation Indaba was an annual 'family meeting' with sector role players. The Covid-19 pandemic, however, resulted in the Indaba being cancelled and having to be re-imagined. The CBE in the past financial year innovatively institutionalised five Transformation Collaborative Committees (TCCs) to facilitate transformation of the sector. I am pleased to note that the TCCs, which comprise significant stakeholder representation from role players, including representatives from the professional councils, infrastructure providers and industry captains, address key transformative issues, including the under-representation of women and persons with disabilities prevailing in the sector.

In respect of regulating the six professional councils originally stipulated in the CBE Act, the CBE is expanding the stable of built environment professions it works with. Although yet to be statutorily formalised, the professions of town planners, geomatics (land surveying) and environment impact assessment coming on board espouse inclusivity of the built environment professions.

This is another notable development that is long overdue in that with the CBE including these three professional councils, the entire infrastructure development value chain will be complete. Adopting this approach reinforces the notion that together we can achieve more. It also fills in the gap that is often missing with public sector projects, namely project preparation.

On behalf of the Deputy Minister and myself, I wish to acknowledge and applaud the work of the current Fifth Term Council and Executive Management, who tirelessly worked in keeping the CBE and its Professional Councils on course to support and align with government priorities through trying and unpredictable circumstances we have had to face as a nation.

P. de Lille

Ms Patricia de Lille (MP)

Minister of Public Works and Infrastructure



4. Foreword by the Chairperson of the Council for the Built Environment



I have great pleasure in presenting the Council for the Built Environment's Annual Report for the 2021/22 Financial Year, in line with the requirements of section 55(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (the PFMA). Recording an overall achievement of 89% of the entity's targets while the COVID-19 battle still raged on was indeed remarkable.

The Council is the Accounting Authority of the CBE with the primary responsibility of governing the CBE. The development and implementation of an appropriate corporate governance framework is endorsed by the Council. The Council accepts responsibility for the application of the principles of effective corporate governance, ensuring it is practised consistently throughout the organisation. The Council discharges this role through its charters based on a corporate governance framework, which includes, amongst others, the mandates promulgated in the Council for the Built Environment Act (No 43 of 2000) (the CBE Act), PFMA, National Treasury Regulations, Shareholder Compact signed with the Minister of Public Works and Infrastructure (PWI) and sound governance principles.

These are further aligned with and responsive to the organisation's strategic risks which are reviewed on an ongoing basis.

The CBE relies on engagement with stakeholders and strategic partners as it results in enhanced participation and collaboration, improved buy-in on CBE projects, and more relevant strategy and policy formulation. As part of our strategic relations several stakeholder engagements were convened to contribute to the National Infrastructure Plan (NIP), Procurement Bill and on the resuscitation of Roster System. Partnerships remain critical to the success of the CBE's work, and we continue to strengthen strategic partnerships through carefully considered memoranda of understanding (MoU). In the reporting period the CBE signed a MoU with the Environmental Assessment Practitioners Association of South Africa.

Transformation of the built environment system continues to be a national priority. To this end, the CBE has developed Transformation Collaborative Committees (TCCs) to guide its contribution to transformation of the built environment system. These TCCs were commissioned to engage with all relevant public decision makers and industry role players to resolve key challenges identified by stakeholders such as advocating for change in the implementation of policies and transformation programmes. There are five TCCs with their focus areas on the following:

1. Health, Safety, Public Protection and Universal Access (HSPPUA)
2. Occupational Specific Dispensation (OSD)
3. Procurement Policy, Legislation and Socio-Economic Development (PPLSED)
4. Professional Skills and Capacity Development (PSCD)
5. Women Empowerment and Gender Equality (WEGE)

In line with the CBE's strategic objectives, the organisation remains focused on contributing to the socio-economic transformation of the built environment sector through programmes on:

- inclusion and participation of women-owned professional practices in Built Environment infrastructure delivery and maintenance
- empowerment of people with disabilities in the Built Environment
- youth involvement and development in the Built Environment

As the Fifth Term Council concludes its tenure of office, I wish to place on record my sincere thanks and gratitude to all who assisted me and the Fifth Term CBE Council to make a valuable contribution to the South African Built Environment sector, especially the Minister and Deputy Minister of PWI, the Senior Management of DPWI and stakeholders across the spectrum of the built environment.

Dr Sitsabo Dlamini

Chairperson: Council for the Built Environment

Date: 31 May 2022

5. Chief Executive Officer's Overview



General Financial Review of the Reporting Period

The Council for the Built Environment (CBE) is a Schedule 3A Public Entity as per the Public Finance Management Act (PFMA). The CBE must comply with the provisions of the Public Finance Management Act of 1999 and Treasury regulations. 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's performance is measured against its Key Performance Indicators (KPIs). The overall performance of the CBE against its annual targets for the 2021/22 financial year was 89% (translated as 17 of 19 targets achieved).

The CBE had a budget of R56.390 million to execute its mandate in the 2021/22 financial year. This budget originated from the following funding sources:

- a. Transfer Grant from National Department of Public Works and Infrastructure for R53.528 million
- b. Levies from the six Councils for the Built Environment Professions (CBEP) for R2.308 million
- c. Other sources of revenue i.e. appeal fees and interest received for R0.554 million

The CBE budgeted to receive income to the value of R57.298 million for the year, which was adjusted downwardly to R56.390 million due to the under collection of interest, as a result of less cash received. The actual total income collected amounted to R56.064 million which resulted in a deficit of R0.326 million. The net deficit was due to:

- Lesser than budgeted levies received from the Engineering Council of South Africa (ECSA)
- Extra interest earned from 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 R57.298 million which was reduced to R56.390 million. The actual financial performance of the CBE resulted in a surplus of R2.278 million for the year. The CBE's financial performance is outlined in detailed financial statements for the 2021/22 financial year in this report. The actual expenditure incurred for the financial year amounted to R53.786 million, against the budget of R56.390 million. The net surplus of R2.604 million arose from the following:

- A delay in finalising the Datacentre Cloud Migration bid
- No suitable service provider identified for the budgeted 20-year organisational structure review
- Former CEO's settlement budgeted but not yet finalised
- Overspend on Council remuneration due to the recruitment of the CEO and COO positions
- Depreciation and amortisation cost not included in the budget as it is an accounting entry
- Prior year committed funds were utilised for - promotional items, the revenue enhancement strategy, organisational redesign and computer expenses (i.e. Microsoft 365, Kaspersky and the Integrated Electronic Built Environment System) - which resulted in actual expenditure exceeding budgeted expenditure. The difference was offset against the underspend indicated above

Capacity Constraints and Challenges

1. Two targets were not achieved due to the following issues:

Programme 1.3 - ICT Cloud Strategic Plan that includes IoT and 4IR Initiatives Roadmap was not implemented by 31 March 2022.

This target is to enable the CBE to meet its organisational strategic goals through technological platforms and solutions, while also ensuring that it aligns to Fourth Industrial Revolution (4IR) and Internet of Things (IoT) changes across industries and around the world. Council sub-committee FHLC (Finance, Human Resources and Legal Committee) requested SCM (Supply Chain Management) to further research and verify/classify the director of the recommended service provider. With this groundwork complete, the tender was approved by 31 March 2022; however, it was not

possible to implement before the end of the financial year, rendering the target **not achieved**. The implementation will be completed in the first quarter of the 2022/23 financial year.

Programme 4.2 - Hundred percent of identified transformation interventions implemented by 31 March 2022.

The implementation of transformation interventions refers to the implementation of identified individual interventions. Not all interventions identified were implemented, rendering the target **not achieved**. The financial year target called for hundred percent implementation of the transformation strategy; however, transformation interventions were undertaken, and the eight stages of the strategy have been successfully implemented and are functional.

2. Other significant challenges encountered during the financial year were:

2.1 There were a number of resignations from Council Members, which rendered some committee and council meetings of the last quarter of 2021/22 not quorate. The CBE submitted the CBEP¹ nominations to the Minister for consideration and appointment on:

ECSA	19 August 2021
SACAP	06 December 2021
SACPCMP	03 February 2022

The CBE followed the statutory process for replacing the public representatives on Council and submitted a report to the Minister on 24 February 2021. On 23 March 2022, the Minister appointed replacements for the three public representatives; however, one declined the nomination.

A first meeting was convened with the Deputy Minister on 01 March 2022 to highlight challenges due to the number of vacant Council Members. It was followed up with the second meeting on 06 April 2022, which augmented the challenges experienced at financial year end due to an inquorate Council.

2.2 The Chief Executive Officer (CEO) and Chief Operations Officer (COO) resigned at the end of June 2021; and the new appointments were effective on 01 November 2021.

Requests for Rollover of Funds

National Treasury (NT) approved the CBE's request to retain and utilise the surplus funds of R2.728 million for various Information Communications Technology (ICT) upgrades during the 2021/22 financial year. A request for the current year's surplus of R2.278 million will be submitted to NT.

Supply Chain Management

The SCM department developed systems and procedures to align procurement processes with the requirements of section 217 of the Constitution. Furthermore, the SCM function is governed by the provisions of the PFMA, the Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (the PPPFA) and Treasury Regulations. These systems and procedures focus on managing the interdependent activities of demand, acquisition, and contract administration. The procurement plan for the 2021/22 financial year was submitted as required by the prescripts.

No new instances of irregular expenditure were identified for the year. Disciplinary actions are being instituted against implicated staff members, as the irregular expenditure determinations were finalised.

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 Auditor-General (AG) expressed a clean audit opinion for the 2020/21 financial year, with no irregular expenditure incurred during the financial year. 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. No new instances of irregular expenditure have been reported. CBE's procurement spend for 2021/22 financial year is 89% to Historically Disadvantaged Individuals (HDI) and youth.

Outlook/ Plans and Future Plans

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

Discontinued Activities/Activities to be Discontinued

No activities were discontinued as operations during the 2021/22 financial year.

Events after the Reporting Date

The CBE lodged a claim with its employment benefits service provider for one of its temporarily incapacitated employees on 30 March 2022. It was finalised on 17 May 2022.

During the current financial year, the CBE negotiated a labour dispute with a former employee. An assessment was made by a labour law attorney of the matter being negotiated. In an EXCO (Council) meeting on 30 May 2022, EXCO (Council) resolved that the settlement negotiation is temporarily suspended while the opinion is assessed.

On 2 June 2022, the Minister appointed six members of Council. The first meeting and induction was held on 13 June 2022. No other significant event took place after the reporting date that would have a significant effect on the entity.

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 (PWI), the Council, and the executive leadership for their support and leadership. None of the achievements of this past year would have been possible without them. I would like to thank all our employees for their hard work, passion and commitment towards fulfilling the mandate of the CBE. I would also like to thank organised labour for their contribution to creating a stable work environment.



Mr Msizi Myeza

Chief Executive Officer

Date: 31 May 2022

6. 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 purposeful 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.

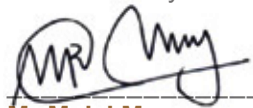
The accounting authority is responsible for the preparation of the annual financial statements and for judgements made on this information.

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 2022.

Yours faithfully



Mr Msizi Myeza

Chief Executive Officer

Date: 31 May 2022



Dr Sitsabo Dlamini

Chairperson: Council for the Built Environment

7. Strategic Overview

7.1 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

7.2 Mission

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

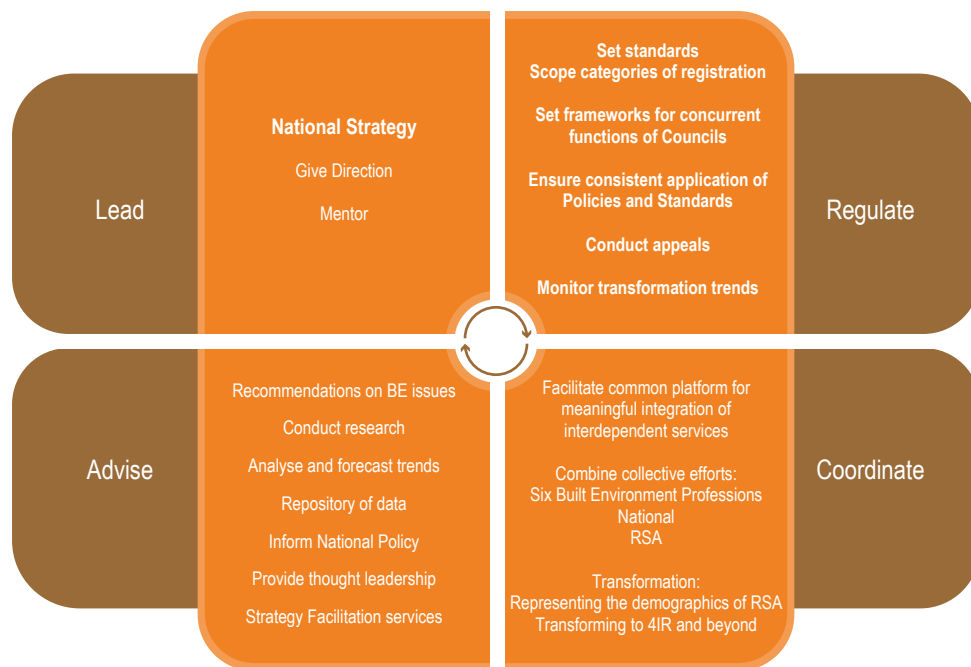


Figure 1: Underlying Principles of the Mission Statement

7.3 Values

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

7.4 Brand Promise

Building South Africa's Future

8. 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 Professions, 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.*

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

The Council may:

- (a) *advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;*
- (b) *communicate to the Minister¹ information on matters of public importance acquired by the council in the course of the performance of its functions under this Act;*
- (c) *make recommendations to the Minister on the composition, functions, assets, rights, employees or financing of the council;*
- (d) *advise the Minister with regard to the amendment of this Act, if necessary, in order to support the norms and values of the built environment professions;*
- (e) *facilitate inter-ministerial co-operation concerning issues relating to the built environment;*
- (f) *provide advice and consultation on national policy that could impact on the built environment, human resource development in relation to the built environment professions, and the recognition of new professions;*
- (g) *comment, if necessary, on all proposed legislation impacting on health and safety in the built environment;*
- (h) *direct communication from the Minister or the relevant Minister to the councils for the professions;*
- (i) *advise the councils for the professions on matters of national importance where the needs of the State, as communicated to the council through the relevant Minister, require joint and co-ordinated action by the built environment professions;*
- (j) *coordinate the establishment of mechanisms for professionals to gain international recognition;*
- (k) *ensure the consistent application of policy by the councils for the professions with regard to:*
 - (i) *accreditation;*
 - (ii) *the registration of different categories of registered persons;*
 - (iii) *key elements of competence testing of registered persons;*
 - (iv) *codes of conduct to be prescribed by the councils for the professions;*
 - (v) *the principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition;*
 - (vi) *standards of health, safety and environmental protection within the built environment;*

¹ Minister of Public Works and Infrastructure

- (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.*

9. 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.
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.

Short Title	Purpose
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.
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.

10. 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.

11. Organisational Structure

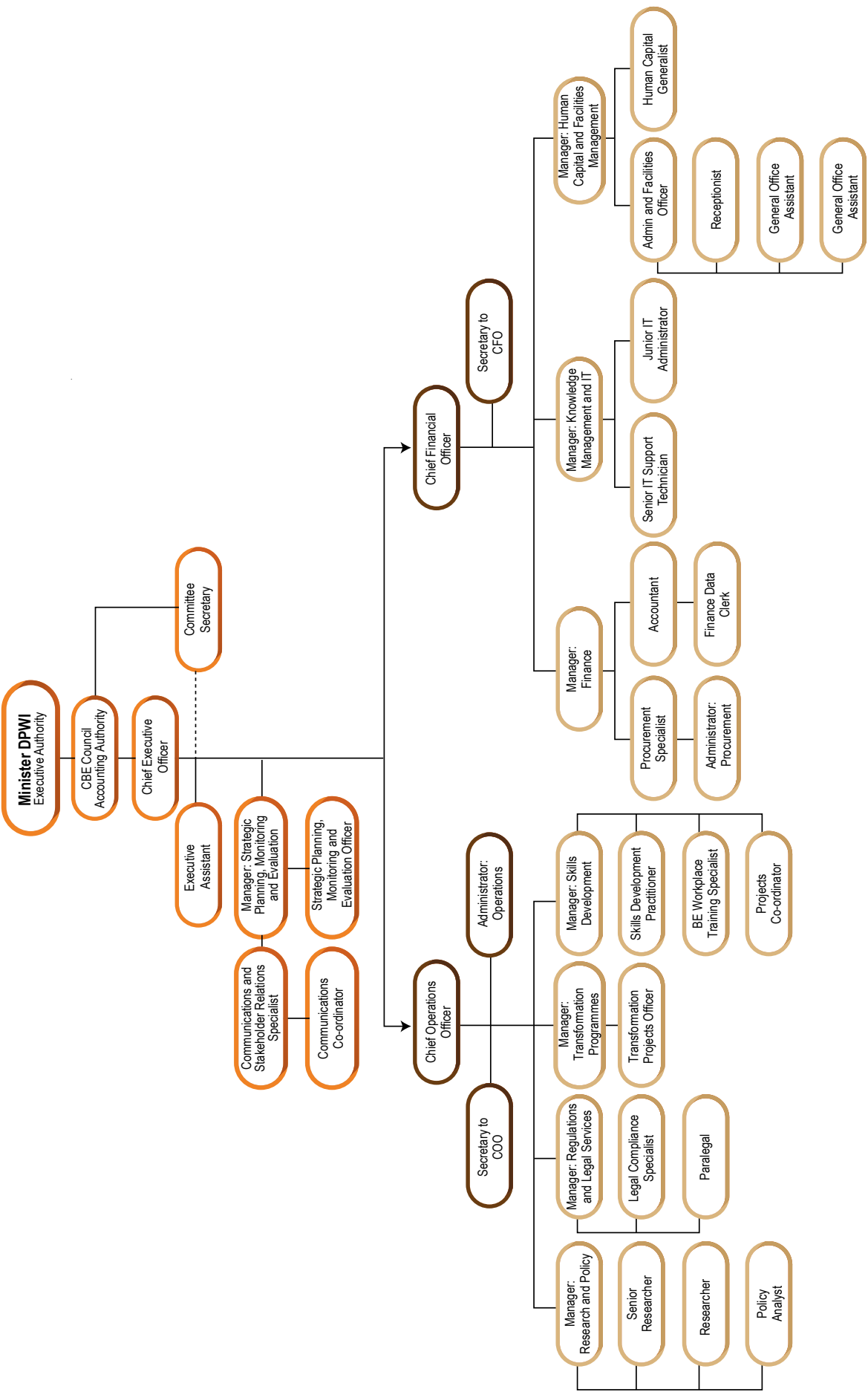


Figure 2: Organisational Structure

12. Stakeholder Engagements

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

Change is constant; and the changes heralded by the COVID-19 pandemic were here to stay through the duration of the 2021/22 reporting period. As the year vacillated through the various adjusted lockdown levels in accordance with the severity of the pandemic, the protocols around social distancing, face-to-face engagements, and travel remained in place. For the CBE this meant that stakeholder engagements in virtual mode were standard practice. While the section on Performance Information by Programme in this report details stakeholder engagement specifics in each programme, the outline below highlights some milestone developments during the year under review.

Momentous occurrences such as the COVID-19 pandemic and the spate of civil unrest in July 2021 in the provinces of KwaZulu-Natal and Gauteng spurred the CBE to take the lead in the Minister's Built Environment (BE) sector Communications Strategy in high-level engagements with stakeholders on rebuilding infrastructure and the economy, so that issues such as transformation and procurement are not overlooked in these critical processes.

In line with the 'new normal' brought on by the pandemic, the Research and Policy Department provided mentorship to stakeholders by hosting a webinar on *Sharing expert inputs and good practice in the age of pandemics and transition to the Future of Work*.

Transformation still remained firmly and high up on the agenda, albeit the approach diffused to the Transformation Collaborative Committees (TCCs) interweaving through the operational departments. This is a more macro approach to address transformation of the sector in a holistic manner, rather than segmentally. There were sector collaborative forums quarterly to facilitate the work of the TCCs; while Council convened National Stakeholder Engagements with stakeholder representatives from across the BE sector which aligned to national priorities such as the Economic Reconstruction and Recovery Programme (ERRP), National Infrastructure Programme (NIP) 2050 and the Registration of Professional Service Providers (RoPSP).

The CBE Advice Desk, officially launched on 31 March 2022, is also a transformation initiative. It is a public platform that aims to provide the BE sector with a central point of contact for industry-related requests for advice or guidance on queries and complaints relating to gender, youth, or persons living with disabilities. The modus operandi of this platform is detailed under Programme 2.

The CBE's mass communication campaign to raise its profile with the public of South Africa moved on from national mainstream media platforms in the previous year to community radio interviews in an effort to reach the rural extremities of our diverse country during the year of reporting. The content of the interviews focused on the profile of the CBE, its public protection mandate and BE issues of concern to the public in the geographic area of broadcast. The target of hosting interviews on community radio stations in deep rural areas was achieved; however, the nil listener participation concluded that this exercise made no impact on the intended audience. Hence, the recommendation is to review the selection of marketing communications platforms, and package messages and content in line with the revised CBE Communications Strategy.

Table 2: National Stakeholder Meetings

Date	Stakeholder Workshop Meetings	Purpose
14 May 2021	EAPASA*	Discussions regarding a MoU**
22 June 2021	National Stakeholder Engagement	Procurement and Legislation
10 September 2021	BE Sector Input: Draft NIP 2050	Review the draft NIP 2050; establishment of a technical task team
13 September 2021	Draft NIP 2050 Technical Task Team	Review and collate inputs
14 September 2021	Draft NIP 2050 Technical Task Team	Review and collate inputs
16 September 2021	Draft NIP 2050 Technical Task Team	Review and collate inputs
21 September 2021	Stakeholder Workshop	cidb*** RoPSP ERRP
27 September 2021	Draft NIP 2050 Technical Task Team	Review and collate inputs
30 September 2021	Stakeholder Workshop: Procurement Policy and Legal	Policy implication of Procurement Bill Status quo of professional services procurement
4 October 2021	Meeting CBE and cidb	Register of Professional Service Providers
20 October 2021	Draft NIP 2050 Technical Task Team	Compilation of Chapter 3: Transformation
28 October 2021	Draft NIP 2050 Technical Task Team	Compilation of Chapter 3: Transformation
3 November 2021	Draft NIP 2050 Technical Task Team	Compilation of Chapter 3: Transformation
8 November 2021	Draft NIP 2050 Technical Task Team	Compilation of Chapter 3: Transformation
10 November 2021	Stakeholder Engagement	Register of Professional Service Providers
11 November 2021	Draft NIP 2050 Technical Task Team	Implementation Plan
12 November 2021	EAPASA	Finalise and sign MoU
6 December 2021	Stakeholder Engagement	NT**** response on procurement
10 December 2021	National Stakeholder Engagement	Feedback on progress regarding matters addressed in the stakeholder meetings
13 December 2021	Meeting CBE and DPWI	Professionalisation of REAM****
23 March 2022	Stakeholder Engagement	Roster system
30 March 2022	Stakeholder Engagement	Retired Engineers

Legend:

*EAPASA	Environmental Assessment Practitioners Association of South Africa
** MoU	Memorandum of Understanding
*** cidb	Construction Industry Development Board
**** REAM	Real Estate and Asset Management





PART B

PERFORMANCE INFORMATION



1. Auditor-General's Report: Predetermined Objectives

The Auditor-General South Africa (AGSA), 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 142 of the Auditors Report, published as Part E: Financial Information.

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 responsible for regulating the following Built Environment Professions in South Africa - Architecture, Landscape Architecture, Engineering, Property Valuation, Project and Project and Construction Management Professions, and Quantity Surveying - in the Built Environment and lends valuable support to government's development initiatives 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 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.

General Performance

The CBE's performance is measured against its Key Performance Indicators (KPIs). The overall performance of the CBE against its annual targets for the 2021/22 financial year was 89% (translated as 17 of 19 targets achieved). On outcome 1: optimum functioning council, 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. No new irregular expenditure was identified. CBE spent 89% of its budget on HDI and youth. As part of ensuring that CBE is a capable organisation, the organisational structure was revised to focus on capacitating it to address the poor delivery and achievement of transformation targets. The CBE has also enhanced and updated a CBE procedure manual to ensure efficient operations.

Advancing Transformation: Transformation of the built environment system continues to be a national priority. To this end, the CBE has developed a Transformation Collaborative Committees (TCCs) to guide its contribution to transformation of the built environment system. These TCCs were commissioned to engage with all relevant public decision makers and industry role players to resolve key challenges identified by stakeholders such as the advocating for change in the implementation of policies and transformation programmes. There are five TCCs with their focus areas on the following:

- (1) Health, Safety, Public Protection and Universal Access (HSPPUA)
- (2) Occupational Specific Dispensation (OSD)
- (3) Procurement Policy Legislation and Socio-Economic Development (PPLSED)
- (4) Professions Skills and Capacity Development (PSCD)
- (5) Women Empowerment and Gender Equality (WEGE)

The CBE's work with industry in support of transformation has progressed well despite some challenges - the Built Environment Help Desk launched, ten baseline /analysis reports were presented to and approved by the respective TCCs, and three databases were sourced and/or developed in the 2021/22 financial year which are currently functional:

- (i) Women-owned construction companies
- (ii) Women-owned material supplier companies
- (iii) Women-owned professional practices in the Built Environment

The CBE also convened stakeholder engagements to contribute to the National Infrastructure Plan, Procurement Bill and on the resuscitation of Roster system.

The National development Plan (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 CBE's contribution to skills development during the 2021/22 financial year were the following:

- Monitoring and evaluating 32 workplaces in implementing the Structured Candidacy Programme
- Conducting 87 BE career awareness initiatives for school learners across nine provinces by 31 March 2022

The NDP identifies the need for building a credible evidence base to support decision-making. In contributing to evidence-based decision making the CBE, in the 2021/22 financial year, developed two reports by 31 March 2022 on:

- (a) Advisory report on the built environment skills requirements and institutionalisation of the Framework for the Infrastructure Delivery and Procurement Management (FIDPM)
- (b) Advisory report on the role of built environment professions in the effective implementation of the FIDPM

On issues of governance and public protection in the Built Environment, the CBE finalised all lodged appeals within the statutory 60 days from their date of lodgement. The CBE conducted Corporate Governance assessment of the six CBEP on their compliance with the provisions of the adopted Governance Framework.

The KPI targets not achieved are outlined below.

The annual target for **Programme 1.3** was not achieved. Council sub-committee FHLC requested the SCM unit to further research and verify/classify the director of the recommended service provider. With this groundwork complete, the tender was approved by 31 March 2022; however, it was not possible to implement before the end of the quarter, rendering the target not achieved.

The annual target for **Programme 2.2** was not achieved. The strategy was not hundred percent implemented; however, transformation interventions were undertaken, and the eight stages of the strategy have been successfully implemented and are functional.

Strategic focus areas currently on the CBE's radar

For the purposes of the 2022/23 Budget Vote Debate, the CBE highlighted a few ongoing programmes that extend beyond the objectives of the built environment councils, and identified the following three priorities to be implemented:

- (1) Transforming the Built Environment sector
- (2) Producing skilled Built Environment Professionals (fit-for-purpose)
- (3) Expediting the empowerment of women, youth and people with disabilities in the Built Environment

The extension of these programmes reinforces the content, substance, quality and relevance of the CBE's work in the context of an ever-changing world and sector.

In line with the CBE's strategic outcomes, the organisation remains focused on contributing to the socio-economic transformation of the Built Environment sector through programmes on:

- inclusion and participation of women-owned professional practices in Built Environment infrastructure delivery and maintenance
- empowerment of people with disabilities in the Built Environment
- youth involvement and development in the Built Environment

Accordingly, the CBE plans to support 148 districts on the implementation of the structured candidacy programme while ensuring that the sector drives demand and increases productivity.

Over the medium-term the CBE will continue to advocate for the CBEP's contributions to social, environmental and economic development. Having a strong, independent, national voice that influences public policy and builds and maintains a strong reputation for the Built Environment Professions (BEPs) will continue to be a distinctive feature of the CBE's work. The CBE intends to fulfil this through the following actions:

- National Stakeholder Engagements and the work of the TCCs
- Shaping public policy through independent study and engagement as an impartial adviser to government on topics such as Health and Safety in the Built Environment, climate action, infrastructure investment and NIP, and procurement legislation affecting the Built Environment Professions
- Collaborate with various sectors to professionalise the Built Environment and address underlying issues such as poor workmanship and corruption

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, the CBEP and members of the public.

The CBE encountered the following challenges during the financial year:

(a) Council Membership

Resignations and vacancies on Council which rendered the last meeting of Council inquorate.

In mitigation of this risk, the CBE submitted the CBEP's nominations to the Minister for consideration and appointment on:

ECSA	19 August 2021
SACAP	06 December 2021
SACPCMP	03 February 2022

The CBE convened a meeting with the Deputy Minister of PWI on 01 March 2022 to highlight the challenges at the entity due to the non-appointment of members in the vacant positions.

On 23 March 2022, the Minister appointed replacements for the three public representative vacancies; however, one member declined the nomination.

(b) Leadership Vacuum

The Chief Executive Officer (CEO) and Chief Operations Officer (COO) resigned at the end of June 2021; and the new appointments were effective on 01 November 2021.

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 DPWI on 06 November 2017.

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 CBEP:

Table 3: 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 4: Strategic Outcome 2: Transformed Built Environment

Strategic Outcome 2	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 5: 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 6: 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 7: 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

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 8: 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

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 Communications 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 Information Technology (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:

*4.1.1 Produce updated CBE procedure manual. Enhance updated procedures manual for quality assurance by 31 March 2022. – **Achieved***

The objective of the project to review business processes is to ensure that the CBE is in the best shape to achieve its goals set out in the Strategic Plan. The Business Process Review will identify areas of inefficiency and recommend business processes that maximise the capabilities of CBE's business management solution.

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. 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. The revised processes were presented to MANCO and the CBE Procedure Manual was updated accordingly.

*4.1.2 Hundred percent of the revised organisational structure action plan identified priorities implemented by 31 March 2022. – **Achieved***

The output of this target is towards developing an approved CBE's organisational design and structure. The structure was reviewed to determine how the business needs to improve and best conducted in line with annual business and workforce planning processes, or in response to key events (such as changes in client needs, funding, technology, processes, priorities).

The CBE finalised 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 achieved. Hundred percent of the revised organisational structure action plan identified priorities for 2021/22 financial year was implemented. The implementation plan was developed and approved. Eight prioritised actions were identified to be implemented by 31 March 2022:

- i. Identification of functionaries in line with the approved interim structure
- ii. Internal profiling of identified functionaries
- iii. Job benchmarking
- iv. Draft recruitment and placement processes
- v. Consultations on recruitment and placement processes – employee representatives
- vi. Submission of structure with identified positions
- vii. Consideration of suitable internal candidates
- viii. Procurement for formal job profiling and evaluation services

The remaining two prioritised actions were identified for implementation in the 2022/23 financial year as follows:

- i. Internal placement and external recruitment
- ii. Induction and training

*4.1.3 ICT Cloud Strategic Plan that includes IoT and 4IR Initiatives Roadmap completed and implemented by 31 March 2022. – **Not Achieved***

This target is to enable the CBE to meet its organisational strategic goals through technological platforms and solutions, while also ensuring that it 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 would be achieved through:

- a) innovating and modernising current manual business processes
- b) establishing sustainable enterprise architecture capability as the basis for 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. Council sub-committee FHLC requested the SCM unit to further research and verify/classify the director of the recommended service provider. With this groundwork complete, the tender was approved by 31 March 2022; however, it was not possible to implement before the end of the quarter, rendering the target not achieved.

4.1.4 Four marketing communication activities to raise the profile of the CBE by 31 March 2022. – **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 (BEPs) 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. Four marketing communication activities to raise the profile of the CBE were undertaken in the provinces of KwaZulu Natal, Limpopo Eastern Cape and Mpumalanga by 31 March 2022. The objective of the campaign was to entrench the national footprint of CBE by reaching out to remote rural areas:

Table 9: Media Interviews

Quarter	Province	Station	Date	CBE Representative	Programme Slot	No of Calls from Listeners	Estimated Station Listenership
2	KwaZulu-Natal	Nongoma FM	15 July 2021	Nana Mhlongo (Acting CEO)	Drive Connection (Afternoon)	0	140 000
2	Limpopo	Makhado FM	08 Sept 2021	Nana Mhlongo (Acting CEO)	Mid-day	0	48 000 +
3	Eastern Cape	Ingwane FM	10 Dec 2021	Sisa Jikeka (Acting Manager: Policy and Research)	Breakfast Show	0	70 000
4	Mpumalanga	Rise FM	16 Feb 2022	Sisa Jikeka (Acting Manager: Policy and Research)	Mid-Morning	0	37 000

The following interventions were incorporated to encourage listener interaction:

- Optimised the opportunity to present in the local language wherever possible
- Experimented with different time slots, while still targeting programmes during peak hours that attracted the highest listenership
- Promotional adverts in the build-up to the interview
- Informed listeners of the Q-&-A session at the end of the interview, so that they could prepare their questions and call in
- Introduced a competition with a prize as an incentive

The main challenge identified throughout the campaign was the lack of participation and feedback from listeners. Possible factors that could account for listener non-participation were identified as:

- The interview in KwaZulu-Natal took place at the height of civil unrest (15 July 2021)
- The world was still very much in the grip of the COVID-19 pandemic, which absorbed people's attention
- The short frequency reach of community radio stations limited live listenership to the area of broadcast. Listeners outside the frequency range had to settle for a recording of the interview

The non-participation from the listeners deduces that the campaign was not a success. Hence, the recommendation is to review the:

- selection of marketing communications platforms
- packaging of messages and content in line with the CBE Communications Strategy

*4.1.5 Increase revenue by 1% of the grant and levies received by 31 March 2022. – **Achieved***

The annual target was achieved. Council approved the revenue enhancement strategy. The Alternative Dispute Resolution Forum was established as part of the Legal Compliance Committee where the six CBEP are represented. The Legal Department outlined the alternative dispute resolution system, even with its capacity constraints that delayed the process. The finalised organisational design process will greatly assist in capacitating the Legal Unit to complete the delayed implementation of the alternative dispute resolution. Process mapping will commence once the alternative dispute resolution system has been outlined. The CBE achieved this target through the optimisation of funds received.

Table 10: Programme 1: Objectives/Purpose, Planned Targets and Actual Achievements

PROGRAMME 1: ADMINISTRATION							
Objectives/Purpose	Overall Audited Actual Performance 2019/20	Overall Audited Actual Performance 2020/21	Planned Annual Targets 2021/22	Overall Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations	
Ensuring that the CBE is in the best shape to achieve goals set out in the Strategic Plan.	N/A	Two	Five	Four	One target was not achieved. ICT Cloud Strategic Plan that includes IoT and 4IR Initiatives Roadmap was not implemented.	Council sub-committee FHLC requested the SCM Unit to further research and verify/classify the director of the recommended service provider. With this groundwork complete, the tender was approved by 31 March 2022; however, it was not possible to implement before the end of the quarter, rendering the target not achieved.	
Promoting awareness about the CBE and its functions to all relevant stakeholders.							
To provide effective and efficient financial and supply chain management services.							

Table 11: Programme 1: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

SUB – PROGRAMME: HUMAN CAPITAL AND ICT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Optimum Functioning CBE.	High quality CBE Procedure Manual.	1.1 High-level and sub business processes developed and approved.	N/A	Achieved High-level and sub business processes developed and approved by 31 March 2021.	Produce updated CBE procedure manual. Enhance updated procedures manual for quality assurance.	Achieved An enhanced and updated CBE Procedure Manual was produced by 31 March 2022.	N/A	N/A
	Revised organisational structure action plan priorities implemented.	1.2 Approved CBE's organisational design and structure.	N/A	Not Achieved Revised organisational design and structure not approved by 31 March 2021.	Hundred percent of the revised organisational structure action plan identified priorities implemented by 31 March 2022.	Achieved Hundred percent of the revised organisational structure action plan identified priorities implemented by 31 March 2022.	N/A	N/A
	Cloud Strategic Plan that include IoT and 4IR Initiatives Roadmap completed and implemented.	1.3 ICT Cloud Strategic Plan that include IoT and 4IR Initiatives Roadmap completed and implemented.	N/A	Not Achieved Cloud strategic Plan that includes IoT and 4IR initiatives Roadmap not completed and implemented by 31 March 2021.	ICT Cloud Strategic Plan that includes IoT and 4IR Initiatives Roadmap completed and implemented by 31 March 2022.	Not Achieved	ICT Cloud Strategic Plan that includes IoT and 4IR Initiatives Roadmap was not implemented by 31 March 2022.	Council sub-committee FHLC requested the SCM Unit to further research and verify/ classify the director of the recommended service provider. With this groundwork complete, the tender was approved by 31 March 2022; however, it was not possible to implement before the end of the quarter, rendering the target not achieved.

SUB -PROGRAMME: COMMUNICATIONS, MARKETING AND STAKEHOLDER MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Optimum Functioning CBE.	CBE Brand Awareness Campaign.	1.4 Number of CBE Brand Awareness Campaigns conducted.	N/A	Achieved Nine (9) marketing communication activities to raise the profile of the CBE by 31 March 2021.	Four marketing communication activities to raise the profile of the CBE by 31 March 2022.	Achieved Four marketing communication activities were undertaken in the provinces of KwaZulu-Natal, Limpopo, Eastern Cape and Mpumalanga to raise the profile of CBE.	N/A	N/A

SUB -PROGRAMME: FINANCE								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Optimum Functioning CBE.	Effective Revenue/ Income generation.	1.5 Percentage Increase of income generated.	N/A	N/A	Increase revenue by 1% of the grant and levies received by 31 March 2022.	Achieved Revenue increased by 1% of the grant and levies received by 31 March 2022.	N/A	N/A

Table 12: Programme 1: Linking Performance with Budget

Programme /Activity/ Objective	2020/21			2021/22		
	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.	-	-	-	200	200	-
1.2 Approved CBE's organisational design and structure.	395	102	293	-	265	(265)
1.3 ICT Cloud Strategic Plan that include IoT and 4IR Initiatives Roadmap completed and implemented.	-	-	-	1 380	-	1 380
1.4 Number of CBE Brand Awareness Campaigns conducted.	168	-	168	393	221	172
1.5 Percentage increase of income generation.	211	190	21	-	21	(21)

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 2021/22 APP, Programme 2 had four annual targets. Three of the annual targets were achieved:

4.2.1 Ten baseline /analysis reports developed by 31 March 2022. – **Achieved**

Transformation of the BEPs is one of the CBE's key imperatives. The CBE's Strategic Plan necessitates the CBE to *facilitate participation by the built environment professions in integrated development in the context of national goals*, specifically regarding Transformation as a key priority of the sixth term democratic government administration. The CBE's third Transformation Indaba, hosted in October 2019, produced key resolutions in relation to challenges impeding transformation in the sector. The CBE expects to deliver on these resolutions to ensure transformational progress. The main vehicle driving these activities are the TCCs, constituted in collaboration with DPWI to address these specific challenges. These TCCs, with support from the DPWI, are commissioned to engage with relevant departments and industry role players to resolve key challenges identified by stakeholders. There are five TCCs for the areas of:

- (i) Health, Safety, Public Protection and Universal Access (HSPPUA)
- (ii) Occupational Specific Dispensation (OSD)
- (iii) Procurement Policy Legislation and Socio-Economic Development (PPLSED)
- (iv) Professional Skills and Capacity Development (PSCD)
- (v) Women Empowerment and Gender Equality (WEGE)

The annual target was achieved. Ten baseline /analysis reports were presented to and approved by the respective TCCs as listed below. This constitutes hundred percent achievement of the annual target:

- a) *Report on foreign professional practices appointed by the public sector*
- b) *Report on women-owned professional practices in the Built Environment*
- c) *Report Review on the previous and current procurement systems amongst others, the Consultants Roster System with the purpose of coming up with more transformative systems*
- d) *Report on the promotion of the employment of South African Built Environment national based on the survey of foreign nationals employed by government*
- e) *Report on all procurement legislation (such as the B-BBEE Act, PPPFA, Competition Commission etc.) to benefit the targeted groups*
- f) *Revised Draft OSD Policy Proposal*
- g) *Report on the level of impact on women employers, employees, candidates and other aspects considered in the Built Environment such as retrenching, downsizing, lack of work, closures*
- h) *Report on monitoring expenditure of women-owned professional practices*
- i) *Report on the progress of professional registration of female candidates and persons with disabilities*
- j) *Report on BE graduates / professionals in employment of Institutions of Higher Learning to advocate for the employment of South African BE professionals*

4.2.2 Hundred percent implementation of identified transformation interventions by 31 March 2022. – **Not Achieved**

The CBE Strategic Plan directs the entity to facilitate participation by BEPs in integrated development in the context of national goals, specifically regarding Transformation as a key priority of the sixth term democratic government administration. The CBE will conduct formal research to identify gaps in policies and legislation aimed at driving the transformation agenda of South Africa. These studies' findings, in combination with sector wide consultations, will drive transformation interventions for the Built Environment of South Africa and provide clear recommendations to address policy gaps and problems encountered with their implementation.

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

- section 3(b): *promote and maintain a sustainable built environment and natural environment;*
- section 4(a): *advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety of the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;*
- 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 annual target was not achieved. The implementation of transformation interventions refers to the implementation of the Broad-Based Long Term Transformation Strategy and not to individual interventions. The strategy was not hundred percent implemented; however, transformation interventions were undertaken, and the eight stages of the strategy have been successfully implemented and are functional.

Step 1: A Formal Structure

Following the 2019 CBE Transformation Indaba recommendations, the CBE established the TCCs in collaboration with the DPWI to spearhead specific areas of Transformation. These TCCs were commissioned to engage with all relevant public decision makers and industry role players to resolve key challenges identified by stakeholders in advocating for change in implementing policies and transformation programmes. There are five TCCs:

- (i) Health, Safety, Public Protection and Universal Access (HSPPUA)
- (ii) Occupational Specific Dispensation (OSD)
- (iii) Procurement Policy Legislation and Socio-Economic Development (PPLSED)
- (iv) Professional Skills and Capacity Development (PSCD)
- (v) Women Empowerment and Gender Equality (WEGE)

These TCCs form the core structure of the strategy as per stage 1 of the document and have been fully operational since inception on 27 February 2020.

Step 2: Provide Direction and Coordinate Interventions

The CBE roots all Transformation initiatives in the Collaborative Framework. Focusing on Transformation through collaboration is the foundational base for TCCs. Each TCC is governed by an adopted Terms of Reference (ToR) which serve to guide plans, initiatives, projects and activities. The ToR outlines the specific mandate and objectives of each TCC, the roles and responsibilities of Chairpersons and members, as well as the standard operating procedures for effective functioning and governance. The TCCs are expected to formally convene at least once a quarter or as required based on issues that may be identified by the CBE Council as of priority.

Step 3: Identify Obstacles and Hindrances

This step relates to unpacking the difficulties faced in the quest for Transformation, specifically in the TCCs' focal areas - what is negatively impacting on efforts and what is contributing to the slow pace of transformation. The bulk of this process was conducted via initial TCC consultations. Together with each TCC's ToR, a list of TCC deliverables were developed based on existing challenges and hindrances. Most of the information was derived from the TCCs and baseline analyses (i.e., formal research and stakeholder engagements) to identify and further unpack such problem areas.

Step 4: Set Targets

Objective, statistically based approaches to target setting must be employed to ensure credibility of recommendations and outputs. The setting of targets must thus also be driven and supported by empirical data. In the absence of substantial baseline information, target setting in these initial stages of the strategy mainly entailed the gathering of baseline information to forecast future trend analyses. In this regard, 13 baseline reports were produced based on the requirements stipulated from each TCC. The baseline information then aids in setting statistically sound, objective, attainable and measurable targets which are driven by empirical data.

In future implementation, to translate the transformation strategy into action, the overall transformational objectives of the sector will clearly be linked to each operating unit of the CBE and the CBEP, including identified built environment professions currently outside the ambit of the CBE. To tie transformational objectives to operational levels, targets for each CBEP will be synchronised with the overall transformation target. The relative performance and associated registration trends relating to the priority indicators within each CBEP will be considered to set customised and attainable improvement goals.

Step 5: Identify and Promote Enablers

Several enablers to Transformation are encapsulated within various policies, acts and legislation promulgated by the South African government. It is important to have a clear understanding of these enablers and the ways in which they operate to boost the effectiveness of the CBE's transformational interventions and programmes. The CBE, in collaboration with the PPLSED TCC, has taken the sectoral lead in identifying, analysing, and unpacking transformation enablers including the consolidation of comments of the sector and industry onto the draft procurement bill; sectoral engagements on procurement regulations with the Office of the Chief Procurement Officer (OCPO); and consultations on the potential resuscitation of the Consultants Roster System (CRS) to name but a few.

Step 6: Prioritise

To drastically fast pace the progress of Transformation a concerted focus is required on short term goals, specifically those that would yield greatest rewards in the shortest time and with minimum effort and resources. Complementary to this approach there should be a concerted focus on those areas holding the largest potential for quick transformational wins. In this regard, unemployed graduates and women-owned professional practices have been identified as areas in which the CBE can make a substantial transformational impact within the shortest time. These include research investigations such as the development of databases - the CBE unemployment database and the database of professional practices - and studies on local versus foreigners appointed at:

- i. public sector institutions
- ii. tertiary training sites

In the next financial year, concerted efforts will focus on assisting these groups to gain access to and become economically empowered and active in the South African Built Environment sector.

Step 7: Monitor and Evaluate

The proposed transformation strategy necessitates continuous and concerted monitoring and evaluation of the interventions at each identified area. This is the direct responsibility of each TCC. Establishing a baseline prior to implementing any intervention and then continuously monitoring and evaluating its impact will enable accurate measurement of the effectiveness and impact of interventions. In this regard the TCCs will deploy monitoring and evaluation measures customised to each transformation goal and associated intervention. This will enable early detection of problematic aspects of a particular intervention that may hinder achievement of desired impact and ensure that timeous mitigations or corrective measures are incorporated to steer a specific intervention back on track. The continuous monitoring and evaluation of transformation interventions will contribute to further develop and refine interventions for future implementation. Each TCC is well equipped and expected to monitor and evaluate their interventions, while the CBE will assume overall responsibility by providing oversight and ensuring that all interventions are adequately monitored, evaluated, and reported on.

Step 8: Report and Advise

The CBE is required, on a quarterly and annual basis, to provide a detailed report and account of the various Transformation activities implemented. The operations and outcomes from the TCCs have been the main source of information for reporting on progress towards Transformation of the built environment professions. Central to this reporting is a detailed analysis of the registration figures and trends among the CBEP with specific emphasis on the three priority indicators. The CBEP provide detailed registration figures and evident trends on a quarterly basis. In addition, in line with the TCC ToR, specific reports and progress feedback on each TCC's activities were provided to Council sub-committee, the Built Environment Matters Committee (BEMC). As per the strategy, this concluded the reporting cycle.

4.2.3 Three Functional Databases of women-owned Built Environment Professionals and Built Environment companies by 31 March 2022.- **Achieved**

The annual target was achieved. Three databases were sourced and/or developed in the 2021/22 financial year and are currently functional:

- i. Women-owned construction companies
- ii. Women-owned material supplier companies
- iii. Women-owned professional practices in the Built Environment

The database of women-owned construction companies was sourced from the cidb (custodian of contractors) during August 2020. However, this database was limited as it does not provide racial demographics of women owners. The cidb intends expanding the database to include racial demographics and will make this information available in due course.

The CBE sourced a database from the Black Business Council in the Built Environment (BBCBE) on women-owned material supplier companies. This database only listed one confirmed woman-owned entity. A google search identified a further 210 material supplier companies in South Africa who were surveyed telephonically to identify women-owned entities and their basic demographics. The data was captured into a functional database which will be updated as required.

The database of women-owned professional practices was developed. The CBEP and Voluntary Associations (VA) circulated a survey to all women-owned professional practices to obtain the information. The survey was a duplicate of the one utilised for all professional practices, thereby ensuring alignment between the two. The data was captured into a functional database which will be updated as required.

4.2.4 One annual online event and four (4) sector collaborative engagements hosted by 31 March 2022. – **Achieved**

The aim of sector coordination is to allow for more integrated, joined-up conversation and coherent responses timeously to advise 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. One annual online event and five sector collaborative engagements were hosted by 31 March 2022. The online event and sector collaborations unfolded as follows:

1. One sector collaborative/tripartite engagement was hosted on 22 June 2021 between the CBE, NT and cidb with representation from relevant stakeholders. The outcomes from this engagement were:
 - The CBE must convene a workshop to further discuss, and outline considered interventions regarding the reported procurement system challenges
 - EAPASA must hold a separate engagement with NT and report on it at the next Stakeholder Engagement
2. The PSCD TCC collaborative engagement, hosted on 01 October 2021, resolved that the PPL TCC workshop should address the alignment of the ERRP.
3. The OSD-SED TCC collaborative engagement was hosted on 26 October 2021.
4. A National Stakeholder Engagement on Transformation in the Built Environment Professions was convened on 10 December 2021. The keynote address was delivered by Dr K Ramokgopa, Head of Infrastructure South Africa (ISA). The CBE's CEO, Mr Myeza provided an update on NT's response to infrastructure procurement issues as well as NIP 2050, Transformation Concept Document, ERRP and RoPSP. The workshop also zoomed in on the work and progress of the TCCs.
5. The PPLSED TCC hosted a collaborative engagement / workshop on the CRS on 23 March 2022. The purpose of this engagement was threefold:
 - i. The possible resuscitation of the CRS emanating from the CBE 2019 Transformation Indaba resolutions and sector engagements
 - ii. To draw lessons from the Western Cape Department of Transport and Public Works (WC DTPW) who are currently implementing the CRS
 - iii. Explore a way forward of replicating the CRS in the context of each provincial department dealing with infrastructure and services from built environment professionals

The engagement yielded the following key resolutions:

- a) The CBE must engage the DPWI, Auditor-General and NT to resolve issues that can potentially enhance the implementation of the CRS as part of the ERRP
 - b) The CBE must champion the possible resuscitation and accommodating of all built environment professions on the CRS across provinces through continuous engagements with the DPWI (i.e., Intergovernmental Cooperation Unit, Technical MinMec etc.)
 - c) The CBE must invite the WC DTPW to further engagements on resuscitating the CRS
6. The PPLSED TCC hosted a collaborative engagement with concerned engineers to invite comments on the gazetted draft procurement regulations on 30 March 2022. The purpose of this engagement was threefold:
 - i. The engagement was convened at the request of a group of retired engineers concerned with procurement procedures (exclusion of engineers on technical aspects) and ultimately the PPPFA
 - ii. In an initial engagement with the CBE's COO to understand their concerns, there was agreement to consult internal structures to help craft a way forward with the PPLSED TCC on board
 - iii. The platform leveraged comments on the gazetted procurement regulations

The engagement yielded the following key resolutions:

- a) The CBE must share the comments on the Procurement Bill with the group of concerned engineers
 - b) The CBE anticipates engagements on the draft bill once it is republished
 - c) The CBE must request comments from the PPLSED TCC by 5 April 2022 and round robin a session with key structures between 6 – 8 April 2022 before submission to NT by 11 April 2022
 - d) The CBE must solicit a position/proposal based on the engagement and comments received for submission to NT
7. CBE Advice Desk was officially launched on 31 March 2022. The original intention, as per the project plan, was to launch the advice desk via an online event during women's month, i.e., August 2021. At the time the Advice Desk was not ready to launch due to concerns raised on the concept document, both internally and by DPWI. With these concerns duly addressed, the concept revised to a more basic version of the original. On 31 March 2022, the CBE Advice Desk officially launched. The CBE Advice Desk aims to provide the BE sector with a central point of contact for industry related requests for advice or guidance on queries and complaints relating to gender, youth or persons living with disabilities. Any received communication will be processed with the required level of confidentiality and anonymity and directed to appropriate channels for appropriate address. The CBE Advice Desk will establish a database on the nature and frequency of requests for advice and complaints received to inform and advise relevant stakeholders accordingly.

Table 13: Programme 2: Objectives/Purpose, Planned Targets and Actual Achievements

PROGRAMME 2: TRANSFORMATION						
Objectives/Purpose	Overall Audited Actual Performance 2019/20	Overall Audited Actual Performance 2020/21	Planned Annual Targets 2021/22	Overall Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Ensuring that the CBE is in the best shape to achieve goals set out in the Strategic Plan.	One	Two	Four	Three	One target was not achieved The transformation Strategy was 75% percent implemented by 31 March 2022.	Some identified transformation interventions were not fully implemented because of some of the third party not providing information to allow for monitoring and evaluation
Providing platforms for the sharing of knowledge and the establishment of partnerships.					There is a positive variance of one sector engagement.	A National Stakeholder engagement (sectoral engagement) was held to help facilitate inputs into the gazetted Draft Preferential Procurement Regulations.

Table 14: Programme 2: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

SUB – PROGRAMME: TRANSFORMED BUILT ENVIRONMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Transformed Built Environment.	Report on foreign professional practices appointed by the public sector approved by 30 June 2021. Report on women-owned professional practices in the Built Environment approved by 30 June 2021. Report the level of impact on women employees, candidates and other aspects considered in the Built Environment such as retrenching, downsizing, lack of work, closures approved by 30 September 2021.	2.1 Number of baseline / analysis reports developed.	N/A	Achieved Draft broad based long-term Transformation Strategy for the Built Environment developed by 31 March 2021.	Ten baseline / analysis reports developed by 31 March 2022.	Achieved Ten baseline/ analysis reports were developed by 31 March 2022: 1) Report on foreign professional practices appointed by the public sector. 2) Report on women-owned professional practices in the Built Environment.	N/A	N/A

SUB – PROGRAMME: TRANSFORMED BUILT ENVIRONMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
	Report on the expenditure on women-owned professional practices approved by 30 September 2021.					3) Report Review on the previous and current procurement systems amongst others, the Consultants Roster System with the purpose of coming up with more transformative systems.		
	Report on the progress of professional registration of female candidates and persons with disabilities approved by 30 September 2021.					4) Report on the promotion of the employment of South African Built Environment national based on the survey of foreign nationals employed by government.		
						5) Report on all procurement legislation (such as the B-BBEE Act, PPPFA, Competition Commission etc.) to benefit the targeted groups.		

SUB – PROGRAMME: TRANSFORMED BUILT ENVIRONMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
	Report on the previous and current procurement systems amongst others, the Consultants Roster System with the purpose of coming up with more transformative systems approved. Report on the promotion of the employment of South African Built Environment national based on the survey of foreign nationals employed by government approved.					<p>6) Revised Draft OSD Policy Proposal</p> <p>7) Report on the level of impact on women employees, candidates and other aspects considered in the Built Environment such as retrenching, downsizing, lack of work, closures.</p>		

SUB – PROGRAMME: TRANSFORMED BUILT ENVIRONMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
	Report on all procurement legislation (such as the B-BBEE Act, PPPFA, Competition Commission etc.) to benefit the targeted groups approved. Report on BE graduates/ professionals in employment of Institutions of Higher Learning to advocate for the employment of South African BE professionals approved by 30 September 2021. Revised Draft OSD Policy Proposal approved.					<p>8) Report on monitoring expenditure of women-owned professional practices.</p> <p>9) Report on the progress of professional registration of female candidates and persons with disabilities.</p> <p>10) Report on BE graduates / professionals in employment of Institutions of Higher Learning to advocate for the employment of South African BE professionals.</p>		

SUB – PROGRAMME: TRANSFORMED BUILT ENVIRONMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
	Hundred percent implementation of identified transformation interventions.	2.2 Percentage implementation of identified transformation interventions.	N/A	N/A	Hundred percent implementation of identified transformations by 31 March 2022.	Not Achieved	The transformation Strategy was 75% percent implemented by 31 March 2022.	Some identified transformations interventions were not fully implemented because of some of the third party not providing information to allow for monitoring and evaluation.

SUB – PROGRAMME: TRANSFORMED BUILT ENVIRONMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
	Database of women owned construction companies. Database of women owned companies of materials supply entities. Functional Database of women-owned professional practices in the Built Environment aligned with the data of the BE professional service providers.	2.3 Functional Database of women-owned professional practices in the Built Environment aligned with the data of the BE professional service providers.	N/A	N/A	Three Functional Databases of women-owned Built Environment Professionals and Built Environment companies by 31 March 2022.	Achieved Three Functional Databases of women-owned Built Environment Professionals and Built Environment companies by 31 March 2022: a. Women-owned construction companies b. Women-owned material supplier companies c. Women-owned professional practices in the Built Environment	N/A	N/A

SUB – PROGRAMME: BROAD BASED SECTOR COORDINATION AND ENGAGEMENT PLATFORMS FOR THE BUILT ENVIRONMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Transformed Built Environment.	One annual online event and four (4) sector collaborative engagements hosted.	2.4 Number of sector collaborations on Transformation in the Built Environment.	Achieved 12 Collaborative engagements and one Built Environment Indaba hosted by 31 March 2020.	Achieved Twenty-two Sector Collaboration Forums and One National Stakeholder workshop (online) held by 31 March 2021.	One annual online event and four (4) sector collaborative engagements hosted by 31 March 2022.	Achieved One online event and five sector collaborative engagements were hosted, and the CBE Advice Desk was launched.	There is a positive variance of one sector engagement.	A National Stakeholder engagement (sectoral engagement) was held to help facilitate inputs into the gazetted Draft Preferential Procurement Regulations.

Table 15: Programme 2: Linking Performance with Budget

Programme /Activity/ Objective	2020/21			2021/22		
	Budget R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000
Performance Indicator						
2.1 Number of baseline /analysis reports developed.	-	-	-	108	114	(6)
2.2 Percentage implementation of identified transformation interventions	-	-	-	-	28	(28)
2.3 Functional Database of women-owned professional practices in the Built Environment aligned with the data of the BE professional service providers.	-	-	-	-	28	(28)
2.4 Number of sector collaborations on Transformation in the Built Environment.	-	-	-	463	636	(173)

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 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 2021/22 APP, Programme 3 had four annual targets. The targets performed as follows:

*4.3.1 An approved Built Environment throughput report on the skills pipeline (supply and demand) developed by 31 March 2022. – **Achieved***

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

The aim of this programme is to develop an advisory report on trends in the Built Environment skills pipeline, relative to South Africa's NDP infrastructure needs. The objectives of this study were 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
- 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 final Built Environment report of the CBEP on the skills pipeline (supply and demand) was developed and approved. In order to estimate the current supply of BE professionals, this study obtained and analysed data from the following sources:

- a. Department of Basic Education (DBE): Statistics on the number of students who wrote the National Senior Certificate (NSC), doing both Maths and Science, and achieved the minimum entry for a National Diploma for the period 2014 - 2019
- b. Department of Higher Education, Training and Innovation (DHET&I) and College of Economics and Management Science (CEMS) Report: Statistics on the number of students who enrolled and completed BE qualifications for the period 2014 - 2019
- c. CBEP, South African Geomatics Council (SAGC) and South African Council for Planners (SACPLAN): Statistics on the number of BE candidates and professionals for the period 2014 - 2019

Key Findings of the Study:

The supply and demand for BE professionals is heavily reliant on the schooling systems, the intake of BE qualifications by students at tertiary institutions and the willingness of graduates to take up candidacy. Being employed in the BE sector as well as exposure to all the stages prescribed by the CBEP are practical prerequisites to register as a candidate to ultimately become a professional in the BE.

The analyses of matriculant numbers over the five-year period (2014 - 2020) depicts a consistent rise in the number of students who passed Mathematics and Physical Science with 60% or more in the first sitting. This increase can be attributed to recent initiatives by government, non-governmental organisations (NGOs) and private sector conducting career initiatives, winter schools, Maths and Science camps which emphasise the importance of obtaining higher grades as well as the importance of STEM careers to students.

As the number of learners who achieve Bachelor admission at NSC is gradually increasing, so is the number of students who enrol for BE qualifications annually. This research indicates that majority of the qualifications enrolled for as of 2019 are engineering qualifications (67.7%) - specifically civil and electrical engineering, followed by geomatics qualifications (15.5%), with the least number of enrolments in landscape architecture qualifications (0.4%). This is put down to career fairs in the country popularising engineering qualifications over most other BE qualifications.

- a. The data indicates that on average 20% of registered students complete their qualification. Similarly, to the enrolment statistics, as at 2019 majority of the students who completed their qualifications were enrolled in engineering qualifications (60.1%) followed by geomatics qualifications (16.9%), with the least number in landscape architecture (0.5%)
- b. Candidates – the report points to an increase in registered candidates by 4% annually. This can be attributed to majority of university graduates not taking up the candidacy programme. Most candidates are in the engineering profession (70.3%), followed by construction project management (11%) and architecture candidates (8.2%). The least number of candidates are in landscape architecture (0.3%)
- c. Professionals – the data shows a slow growth of +0.5% per annum, indicating that most candidates have challenges in completing their candidacy and become professionalised

4.3.2 Thirty-two workplaces monitored and evaluated in implementing the Structured Candidacy Programme by 31 March 2022. – **Achieved**

The introduction of the Standard for Infrastructure Procurement and Delivery Management (SIPDM) by NT requires that only professionally registered Built Environment Professionals perform designated functions including making decisions on public infrastructure projects. During engagements with government departments, it was noted that candidates in the public sector take a longer time to become professionally registered; this necessitated the CBE to develop the Structured Candidacy Framework as an instrument to assist Built Environment candidates to achieve maximum professional development and professional registration in the shortest possible time.

This project focuses on introducing the Structured Candidacy Programme to workplaces and assessing their readiness to implement it. The aim of this programme is to work with the BE sector to address the shortfall in registered BE professionals within designated groups in the country by:

- i. presenting the Structured Candidacy Programme and framework and encouraging workplaces to implement them
- ii. assessing workplace readiness to implement the Structured Candidacy Programme

- iii. identify other organisations implementing similar Structured Candidacy programmes to compare, monitor and evaluate their progress

The annual target was achieved. Thirty-two workplaces were monitored and evaluated in implementing the Structured Candidacy Programme by 31 March 2022.

In the main, the challenges experienced were:

- i. the general lack of response from organisations to meeting invites
- ii. most organisations continue to work from home, making it difficult to visit workplaces
- iii. stakeholders fail to return the required documentation after virtual meetings
- iv. workplaces are not comfortable signing the “Letter of Commitment” as there is no guarantee of further projects in the current recessionary climate in South Africa. The “Letter of Commitment” will be changed to a “Letter of Engagement” when engaging workplaces in future
- v. the recent enactment of the Protection of Personal Information Act (POPIA) has brought with it reluctance from workplaces to furnish employees’ personal information. The CBE compiled a letter to address this issue

Table 16: Structured Candidacy

No	Workplace/Organisation	Province	Date of Visit
1	Limpopo Department of Education (Provincial)	Limpopo	10 May 2021
2	Eastern Cape Department of Public Works	Eastern Cape	14 May 2021
3	Mpumalanga Department of Public Works	Mpumalanga	20 May 2021
4	KwaZulu-Natal Department of Human Settlements (Provincial)	KwaZulu-Natal	26 May 2021
5	KwaZulu-Natal Department of Transport	KwaZulu-Natal	27 May 2021
6	KwaZulu-Natal Department of Education	KwaZulu-Natal	27 May 2021
7	Limpopo Department of Social Development	Limpopo	9 June 2021
8	Nandzu Trade General Projects	Limpopo	11 June 2021
9	CODVECO (Pty) Ltd	Gauteng	6 September 2021
10	Bob Mazwana and Associates	Eastern Cape	8 September 2021
11	DBI Consulting	Gauteng	23 September 2021
12	South African Police Service (SAPS)	Gauteng	28 September 2021
13	Maviso Projects	Gauteng	30 September 2021
14	Eskom	National	7 October 2021
15	Ethekwini Municipality	KwaZulu-Natal	26 October 2021
16	Azadi Consulting	KwaZulu-Natal	26 October 2021
17	City of Tshwane	Gauteng	2 November 2021
18	Quantum Built and Environment Consultants	Free State	22 November 2021
19	ITTS Quantity Surveyors	Free State	23 November 2021
20	Free State Department of Public Works & Infrastructure	Free State	24 November 2021
21	Free State Department of Human Settlements	Free State	25 November 2021
22	Limco QS, Arbitration and Project Management	Free State	26 November 2021
23	Free State Department of Education	Free State	26 November 2021
24	Triumphant Zoe (Pty) Ltd	Gauteng	15 March 2022
25	North West Department of Human Settlements	North West	17 March 2022
26	Department of Forestry, Fisheries and Environment (DFFE)	National	18 March 2022
27	Independent Development Trust (IDT)	National	18 March 2022
28	Prana Consulting	Gauteng	22 March 2022
29	Imvelo Studio (Pty)Ltd	Gauteng	23 March 2022
30	CAP Consulting	Western Cape	28 March 2022
31	LMJ Engineering Services (Pty) Ltd	Gauteng	31 March 2022
32	Robus Engineering Training Services (Pty) Ltd	Northern Cape	31 March 2022

The following challenges hindered the progress and registration of candidates in workplaces, more so in infrastructure departments, pointing to a lack of:

- i. registered mentors to guide and mentor candidates towards professional registration
- ii. appointed mentors in infrastructure departments not able to mentor candidates due to their existing workload
- iii. proper, structured job descriptions aligned to the professional councils' requirements
- iv. structured Personal Development Plans for candidates
- v. exposure of candidates to the CBEP requirements and outcomes
- vi. funding to support candidates (especially in the private sector companies)

The CBE will facilitate funding with the Sector Education Training Authorities (SETAs), VAs, cidb, Eskom and the National School of Government (NSG) to address the challenges outlined.

*4.3.3 Thirty Built Environment career awareness initiatives conducted for school learners across nine provinces by 31 March 2022. – **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. The annual reports of professional councils indicate that the Built Environment Professions are still largely dominated by whites with about 66% 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. A tracking mechanism will trace learners who attended the career awareness sessions and subsequently went on to register for built environment qualifications. The involvement of role models adds a different, 'real time' dimension to the career awareness sessions as learners get to interact with young professionals who have started a career in the Built Environment.

The career awareness programme, including the role model approach, will potentially inject growth and sustainability to the Built Environment sector.

The annual target was achieved. Eighty-seven Built Environment career awareness initiatives were conducted for school learners across nine provinces by 31 March 2022. There is a positive variance of fifty-seven career awareness initiatives. The CBE partnered with provincial departments of education (KwaZulu-Natal and Mpumalanga), South African National Roads Agency (SANRAL), South African Agency for Science and Technology Advancement (SASTA), Dream International, Rivoningo Foundation and Langa Education Assistance Program (LEAP) Science and Maths Schools. These collaborations enabled the CBE to have access to different categories of schools and learners, thus, contributing to CBE exceeding the target in terms of number of schools and career awareness initiatives.

Another benefit in the CBE/SASTA MoU is that the latter funds Science Festivals and Exhibitory, including the STEM career awareness initiatives. This collaboration in career awareness initiatives would go a long way in contributing to the ERRP.

Table 17: Career Awareness Initiatives

Province	Number of Schools	Number of Learners	Number of Males	Number of Females	Male %	Female %
Eastern Cape	7	727	297	430	41%	59%
Free State	3	94	30	64	32%	68%
Gauteng	10	280	94	186	34%	66%
KwaZulu-Natal	22	2779	983	1796	35%	65%
Limpopo	8	255	76	179	30%	70%
Mpumalanga	17	1643	662	981	40%	60%
North West	5	63	28	35	44%	56%
Northern Cape	8	217	87	130	40%	60%
Western Cape	7	304	123	181	40%	60%
Total	87	6362	2380	3982	37%	63%

Table 18: Stakeholder Collaborations in Career Awareness

Stakeholder	Number of Schools				Total	Number of Learners				Total	Percentage of Schools				Percentage of Learners			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Dream International	0	0	0	5	5	0	0	0	668	668	0%	0%	0%	25%	0%	0%	0%	23%
KZN DoE*	0	0	5	11	16	0	0	591	2023	2614	0%	0%	100%	55%	0	0%	100%	69%
LEAP	0	4	0	3	7	0	316	0	213	529	0%	9%	0%	15%	0%	23%	0%	7%
MPU DoE**	13	4	0	0	17	1335	308	0	0	1643	68%	9%	0%	0%	90%	23%	0%	0%
Rivoningo Foundation	4	0	0	0	4	107	0	0	0	107	21%	0%	0%	0%	7%	0%	0%	0%
SAASTA	2	8	0	1	11	49	236	0	12	297	11%	19%	0%	5%	3%	17%	0%	0%
SANRAL	0	27	0	0	27	0	504	0	0	504	0%	63%	0%	0%	0%	37%	0%	0%
Total	19	43	5	20	87	1491	1364	591	2916	6362	100%	100%	100%	100%	100%	100%	100%	100%

Legend:

*KZN DoE KwaZulu-Natal Department of Education

**Mpu DoE Mpumalanga Department of Education

4.3.4 Approved oversight report on the accreditation of Built Environment academic programmes and institutions by 31 March 2022. – **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:

- Ensure that built environment programmes conform to the requirements of the Higher Education Quality Sub framework (HEQSF)
- Elucidate the principles that should underpin the accreditation of built environment programmes by professional councils
- Define the key minimum criteria to be met by built environment programmes
- 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 and approved by 31 March 2022. The next table details the accreditation visits undertaken during the financial year.

Table 19: Accreditation Visits

CBEP	University	Date	Accreditation Outcomes
Engineering Council of South Africa (ECSA)	Mangosuthu University of Technology (MUT)	27 – 28 May 2021	Three programmes were fully accredited: i. Diploma in Chemical Engineering ii. Diploma in Electrical Engineering iii. Diploma in Civil Engineering
	North West University (NWU)	26 – 27 August 2021	Seven engineering programmes were fully accredited: i. BSc Chemical Engineering ii. BSc Chemical Engineering (with specialisation in mineral processing) iii. BSc Computer and Electronic Engineering iv. BSc Electrical and Electronic Engineering v. BSc Electro-Mechanical Engineering vi. BSc Mechanical Engineering vii. BSc Industrial Engineering
Engineering Council of South Africa (ECSA)	Walter Sisulu University (WSU)	17-18 November 2021	Three programmes were provisionally accredited: i. Diploma in Electrical Engineering ii. Diploma in Mechanical Engineering iii. Diploma and Advanced Diploma in Civil Engineering

CBEP	University	Date	Accreditation Outcomes
South African Council for the Quantity Surveying Profession (SACQSP)	Central University of Technology (CUT)	18 June 2021	Two programmes were fully accredited: i. Bachelor of Construction in Quantity Surveying ii. Postgraduate Diploma in Construction in Quantity Surveying
South African Council for the Quantity Surveying Profession (SACQSP)	University of Johannesburg (UJ)	24 August 2021	Two programmes were fully accredited without conditions: i. BSc Construction Studies ii. BSc Hons: Quantity Surveying
	Nelson Mandela University (NMU)	2 September 2021	Two programmes were not accredited: i. Diploma in Quantity Surveying ii. Diploma in Quantity Surveying
	Cape Peninsula University of Technology (CPUT)	14 September 2021	Two programmes were fully accredited (with conditions): i. Advanced Diploma in Construction ii. Advanced Diploma in Quantity Surveying
	Durban University of Technology (DUT)	22 September 2022	The following programme was not accredited: Bachelor of Building Environment (Construction Studies)
South African Council for the Architectural Profession (SACAP)	University of Cape Town (UCT)	06 – 08 September 2021	Three programmes were fully accredited: i. Bachelor of Architectural Studies (BAS) ii. Bachelor of Architectural Studies (BAS Hons) iii. Masters of Architecture (March)
	University of the Witwatersrand (Wits)	18-20 October 2021	Three programmes were fully accredited, namely: i. Bachelor in Architectural Studies (BAS) ii. Bachelor in Architectural Studies (BAS) (Hons) iii. Master's in Architecture
South African Council for the Property Valuers Profession (SACPVP)	University of the Witwatersrand (Wits)	20 October 2021	Three programmes were fully accredited: i. BSc Property Studies ii. Postgraduate Diploma in Property Management and Building Science iii. MSc in Property Development and Management

Challenges / Highlights

The COVID-19 pandemic and the ensuing lockdown regulations impacted on the accreditation process of programmes and institutions at most tertiary institutions, forcing them to review the traditional face-to-face engagements and adopt a virtual or hybrid model.

Recommendations

Where possible, the CBEP should consider virtual accreditation and validation. This will ensure that there is progress on accreditations that are pending, and on the validation of university programmes. Going virtual will also fast track feedback to universities.

Universities must strive to align their staff (both academic and support) to the demographics of the country. Additionally, the CBE encouraged universities to utilise the DHE&I University Capacity Development grant, New Generation of Academics Programme (nGAP) and the National Research Foundation (NRF) pipeline programmes to ensure academic staff sustainability, and to have a clear mentorship programme for the new generation of academics and improve the qualifications of junior academic staff.

Universities must have articulated programmes to support student learning, especially for those from rural communities who cannot easily access remote learning classes due to data and connectivity challenges. The recommendation extended for universities to record all sessions for access by students, even after classes.

Universities offering work integrated learning (WIL) must expand their collaborations to have more organisations on board for student placements.

To address the high rate of youth unemployment in the country, universities are urged to include a suite of entrepreneurship and business studies in their offerings to provide graduates with a foundational base to start their own business and practices.

Table 20: Programme 3: Objective/Purpose, Planned Targets and Actual Achievements

PROGRAMME 3: SKILLS AND CAPACITY DEVELOPMENT						
Objective/Purpose	Overall Audited Actual Performance 2019/20	Overall Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Overall Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Coordination of an enabling Built Environment Skills Pipeline from school to professional level.	One	Four	Four	Four	All targets were achieved There is a positive variance of fifty-seven career awareness initiatives conducted for school learners.	The threat of the third and fourth waves of COVID-19 impelled the CBE to attend to most career awareness initiatives that were scheduled in the financial year.

Table 21: Programme 3: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME 3: SKILLS AND CAPACITY DEVELOPMENT						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22
Skilled Built Environment Professionals.	Advisory report on the Skills Pipeline Programme.	3.1 A throughput report relating to the Built Environment skills pipeline.	N/A	Achieved Approved advisory throughput report on the Built Environment skills pipeline (supply and demand) by 31 March 2021.	An approved Built Environment throughput report on the skills pipeline (supply and demand) developed by 31 March 2022.	Achieved The final Built Environment throughput report on the skills pipeline (supply and demand) was developed and approved.
	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	Achieved Fifteen workplaces monitored and evaluated in implementing the Structured Candidacy Programme by 31 March 2021.	Thirty-two workplaces monitored and evaluated in implementing the Structured Candidacy Programme by 31 March 2022.	Achieved Thirty-two workplaces monitored and evaluated in implementing the Structured Candidacy Programme.

PROGRAMME 3: SKILLS AND CAPACITY DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Skilled Built Environment Professionals.	Built Environment career awareness initiatives conducted.	3.3 Number of Built Environment career awareness initiatives conducted.	N/A	Achieved Twenty-two (22) Built Environment career awareness initiatives conducted for school learners across nine provinces by 31 March 2021.	Thirty Built Environment career awareness initiatives conducted for school learners across nine provinces by 31 March 2022.	Achieved Eighty-seven Built Environment career awareness initiatives were conducted for school learners across nine provinces by 31 March 2022.	There is a positive variance of fifty-seven career awareness initiatives conducted for school learners. This represents a 290% achievement in terms of career awareness initiatives.	The threat of the third and fourth waves of COVID-19 impelled the CBE to attend to most career awareness initiatives that were scheduled in the financial year.
	Oversight report on CBEP accreditation of academic programmes and higher learning institutions.	3.4 Number of oversight reports on CBEP accreditation of Built Environment academic programmes and institutions.	Achieved An oversight report developed by 31 March 2020 on the accreditation of academic programmes undertaken by the CBEP.	Achieved Approved oversight report on the accreditation of Built Environment academic programmes and institutions by 31 March 2021.	Approved oversight report on the accreditation of Built Environment academic programmes and institutions by 31 March 2022.	Achieved Oversight report on the accreditation of Built Environment academic programmes and institutions was developed and approved.	N/A	N/A

Table 22: Programme 3: Linking Performance with Budget

Programme /Activity/ Objective	2020/21			2021/22		
	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).	-	-	-	224	87	137
3.2 Number of workplaces monitored and evaluated in implementing the Structured Candidacy Programme.	864	918	(54)	867	987	(120)
3.3 Number of Built Environment career awareness initiatives conducted.	720	283	437	840	889	(49)
3.4 Number of oversight report on CBEP accreditation of Built Environment academic programmes and institutions.	35	18	17	44	-	44

4.4 Programme 4: Research and Advisory

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 such engagements. 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.

The objective 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

For the 2021/22 APP, Programme 4 had three annual targets:

4.4.1 Four research discussion papers developed in line with the CBE Research Agenda by 31 March 2022. – **Achieved**

This project is part of CBE's strategic priority to reposition itself as a thought leader in the Built Environment sector. The research agenda developed in the previous financial year aimed to enhance CBE's aptitude to deliver on its mandate viz. *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 annual target was achieved. Four research discussion papers in line with the CBE Research Agenda were developed and approved by 31 March 2022:

I. Research discussion paper on the state of women empowerment within the Built Environment

Key findings:

- The overall state of women empowerment in the built environment remains a discomfiture to the entire sector. This among others is due to the lack of appetite to implement the sector's transformation agenda
- Many women still find themselves excluded from the formal economy and in low paying jobs and economic sectors. Those who are fortunate enough to find a job hardly ever make it to the middle and top management echelons, particularly in the private sector
- Women-owned contractors access around 19% of public contract awards; however enterprises owned 51% and more by women constitute only 31% of the total number of registered enterprises (*cldb*, 2020)
- CBEP membership remains dominated by males, with a mere 12% female representation. While women constitute more than half of South Africa's population they are, however, significantly underrepresented in the Built Environment Professions

II. Research discussion paper on the analysis of the Built Environment Sector's compliance with the Employment Equity Act

Key findings:

- a. There is overall failure to address transformation viz. inclusion of gender and disability dynamics specifically in respect of:
 - meeting the State's target for women's representation at senior management levels (50%)
 - employment of persons with disabilities (2%)

However, performance in these areas fared better than the private sector

- b. In many organisations issues relating to transformation, gender equality, employment equity and gender mainstreaming are not viewed as strategic issues requiring leadership, instead they are categorised as human resource and corporate services issues
- c. Most organisations lack budget allocations for gender transformation. Also evident is the lack of supportive policies viz. flexi- time/care working from home, and sexual harassment
- d. Most organisations fused gender and disability sets of issues, rather than recognising these as issues requiring individual attention
- e. The scarce skills in technical, finance and sector sectors are having an impact on the appointment of women in senior positions
- f. Most employers' transformation policies are still at the draft stage
- g. There are large pockets of resistance to employment equity
- h. Despite the existence of well drafted legal frameworks on discrimination and employment equity, employees and trade unions are not using these frameworks to bring cases of discrimination or lack of progress (for example, employees and trade unions are not reporting recalcitrant employers to the Director General and are not referring cases to the Commission for Conciliation, Mediation and Arbitration [CCMA], Bargaining Councils or to the Equality Court)
- i. Very few employers demonstrate efforts in the development of comprehensive employment equity plans, and in particular, affirmative action strategies

Limitations - The report is based on desktop literature, limited to documentary analysis and broadly analysed the construction and public sectors. To enrich the research discussion, the study will further analyse the implementation of the Employment Equity Act in state owned entities such as Eskom, Transnet (Ltd), PetroSA, Rand Water and Passenger Rail Agency of South African (PRASA) that are responsible for infrastructure.

Recommendations:

Employers need to:

- a. Implement comprehensive employment equity targets
- b. Develop employment equity targets by ring fencing posts
- c. Assign responsibility for employment equity at senior level, and integrate these in the strategic plans with monitoring interventions in place
- d. Assign responsibility for transformation, including this in performance and evaluation processes
- e. Initiate gender equality awareness and gender leadership programmes in the workplace

Transformation Strategies that work (Best Practices):

Employers need to:

- a. Develop and implement a plan for the transformation strategy
- b. Embed transformation and empowerment in the organisational strategy driven by senior leadership, through planning, implementation and accountability and include males in the transformation process
- c. Target scarce skills for transformation through aggressive education measures, supplemented by learnerships, bursaries and internships
- d. Ensure that gender mainstreaming and gender equality in the workplace are embedded in performance requirements for senior management
- e. Develop a gender focused equality strategy with targets and timeframes, integrated into recruitment, promotion, mentoring and empowerment interventions
- f. Commit to continuous professional development: provide for learning, development and simulation of work projects and opportunities
- g. Promote a supportive culture: with the emphasis on performance and quantifiable outputs, encourage motivation and teamwork through appropriate policies
- h. Attract and retain the right people: ensure that leadership comprises of suitably qualified women and people with disabilities, using mentorship programmes, training and recruitment strategies to develop vulnerable groups into senior management
- i. Clear workplace anti-discrimination and sexual harassment policy
- j. Support work-life balance: acknowledge domestic/child-care pressures to manage motherhood and career. Virtual office technology and flexible working hours can improve productivity and enable women to balance these demands

National Policy Interventions

- a. Gender, youth and disability measures must be included in Black Economic Empowerment (BEE) rating and organisational scorecards to enforce employers to take these additional components of employment seriously
- b. Quotas must be implemented through legislation for minimum representation of women on boards, compelled as a Johannesburg Stocks Exchange 50/50 listing requirement
- c. The Department of Labour and Employment Equity Commission (ECC) to review the employment equity targets and strategies, affirmative action measures (recruitment, skills development, vision and targets) and the provision of guidelines for transformation
- d. Target measures at the national levels are required to encourage girls to pursue STEM subjects and advancement in science, technical, industrial and built environment fields

III. Research discussion paper based on Built Environment skills requirements in line with project delivery processes

The discussion research paper reveals that the poor public sector infrastructure outcomes are attributed to a combination of:

- a. under expenditure against annual budgets resulting in the five-year spending trajectory adjusted downwards every year since 2017
- b. high cost, time overruns and major delays in implementing planned infrastructure projects
- c. poor governance, contract management and leadership role of the client
- d. absence of adequate capacity caused by unattractive remuneration, appropriate skills and experience in prescribing, procuring and administering the delivery and maintenance of infrastructure
- e. lack of involvement of BEPs in critical processes
- f. non-compliance with supply chain management regulations, poor procurement practices and poor management of outsourced infrastructure-related services
- g. inadequate interventions which focus on introducing portfolio, programme and project management practices and development of in-house technical and management skills through technical assistance and political interference

The study makes the following recommendations:

Recommendations for the Council for the Built Environment

- a. Adopt a 'whole government approach' and partner with ISA, government, state owned enterprises, industry, private sector, CBEP and academic institutions to take the lead in developing a BE sector skills strategy. The BE sector skills strategy should outline the current, future and labour needs for the sector and must be accompanied by a comprehensive action plan to ensure that the supply of skills and labour meets those needs
- b. Collaborate with ISA, Construction Education & Training Authority (CETA), private sector and advocate for the development of a built environment skills fund that will pool financial resources into a single and centralised point
- c. Partner with NSG to identify routes towards the professionalisation of Built Environment Professionals employed in the public service. The CBE could advocate for the implementation of uniform candidacy programmes across public service and monitor its impact. The CBE could also partner with the CBEP and promote the acceleration Recognition of Prior Learning (RPL) initiatives to professionalise and drive transformation of Built Environment Professionals employed in the public sector
- d. Partner with ISA to advocate for the employment and development of young South African Built Environment graduates to obtain the necessary expertise in Strategic Integrated Projects (SIPs) and monitor the progress towards professional registration of candidates
- e. Collaborate with the CBEP and advocate for the acceleration of mentorship of Built Environment candidates across the public sector to improve professional registration as well as employment opportunities
- f. Collaborate with government, private sector, academic institutions and the CBEP to collate, maintain accurate and reliable data on the supply and demand of Built Environment skills

Recommendations for the Councils for the Built Environment Professions

- a. Partner with government and articulate all Built Environment skills required throughout the infrastructure value chain
- b. Partner with government and identify the skills required to support the implementation of the draft NIP, Infrastructure Delivery Management System (IDMS) and FIDPM
- c. The South African Council for the Project and Construction Management Professions (SACPCMP) must investigate possibilities to introduce additional categories of registration to support the implementation of government's IDMS

- d. Accelerate RPL to professionalise and drive transformation of the Built Environment Professions in the public sector
- e. Proactively develop interventions that promote skills development, mentorship and equal opportunities for youth, women and people with disabilities
- f. Develop interventions in partnership with government and academic institutions that promote the image and attractiveness of Built Environment careers across the skills pipeline

Recommendations for Government

- a. To create sustainability, there needs to be a shift from dependence on consultants to a point where internal staff within the public sector assume the responsibilities of infrastructure delivery. NT, DPWI and the Department of Public Service and Administration (DPSA) need to collectively drive the reforms on the infrastructure delivery model of the public sector to promote development of in-house capacity and strengthen the retention of scarce skills
- b. NT, in collaboration with DPWI and DPSA, must develop a competency framework to support government's IDMS. This framework would ensure that the current organisational structures of infrastructure units in the public sector are reviewed and aligned to ensure that the State has necessary capacity and skills to plan, procure, maintain infrastructure
- c. The Minister of PWI must engage the Minister of Public Service and Administration and the Collective Bargaining Council on bottlenecks experienced in the public sector regarding the implementation of the Occupation Specific Dispensation (OSD). It is pivotal for the Minister of PWI to advocate for a review of the OSD to improve the public sector's capability to attract, develop and retain Built Environment Professionals

Recommendations for Academic Institutions

- a. Review the curriculum continuously, improve the quality and relevance of students' theoretical and practical training to meet the skills need of industry
- b. Incorporate the IDMS and FIDPM into the curriculum and identify new knowledge areas
- c. Produce graduates who are familiar and equipped for increasing technologies within the 4IR / 5IR / cybergogy spaces, identify emerging and future skills need in the Built Environment sector and keep the industry abreast

IV. Research discussion paper on Factors Affecting Women's Economic Participation in the Built Environment

The Built Environment sector is a male-dominated industry globally; the poor representation of women exists in every facet of the construction profession and associated jobs. In this context, the discussion paper investigated the current level of women participation, challenges faced by professional women, factors that influence their participation in the course of developing careers within the Built Environment and the alternatives readily available for improved implementation to encourage women participation in the South African Built Environment sector.

The discussion paper reviewed factors affecting women's economic participation in the Built Environment and outlines the following root causes:

- i. Key influencers in career choices for women
- ii. Practices and attitudes typical in a male-dominated work environment
- iii. Systematic barriers in funding models in South Africa

The proposed mechanisms to address these factors include:

- a. The removal of formal and informal institutional barriers that prevent women from taking action to improve their well-being individually or collectively and limit their choices
- b. Assimilation of gender mainstreaming into all decision-making, policy, and legislative practices in the Built Environment in South Africa
- c. Greater access for girls and women to basic and higher education

Limitations – There are limited research publications into literature on the subject matter of women in the Built Environment, particularly economic participation. This discussion paper serves as a baseline to stimulate discussions with different custodians of legislative and policy frameworks that have an impact on the Built Environment, with specific focus on transformation.

4.4.2 Twenty articles published on the Built Environment Knowledge and Information Hub in line with thematic areas by 31 March 2022.- **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 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. A total of twenty-seven research papers, aligned to the CBE Research Agenda, were published on the Built Environment Knowledge and Information by 31 March 2022. There was a positive variance of seven articles published on the Built Environment Research Hub.

Table 23: Research Outputs

Thematic Area	Research Output
Construction Health and Safety	<ol style="list-style-type: none"> 1. Rethinking construction health and safety legislation compliance: lessons learnt from Covid-19-pilot study. 2. The profile of occupation health and safety South Africa. 3. Conceptual argument about drift into failure masked by work pressures on construction sites in South Africa. 4. Using standardised work to prevent construction accidents.
Transformation	<ol style="list-style-type: none"> 5. A review on why women-owned construction firms fail in KwaZulu-Natal? 6. An investigation into the employment of persons with disabilities in KZN construction industry 7. Implementation of Broad-Based Black Economic Empowerment in construction: A South African metropolitan area study. 8. The image of the construction industry and its employment attractiveness. 9. Women in Construction Development Empowerment and Sustainability
Infrastructure Delivery and Quality and Public Employment Practices	<ol style="list-style-type: none"> 10. Organisational structure of client teams in two successful infrastructure projects. 11. Challenges to Lean Construction Implementation in South Africa. 12. A literature review: a conceptual framework for psychology in lean construction. 13. Major Development features for retirement villages in George, South Africa. 14. Factors affecting sustainable infrastructure delivery in South Africa - a case study of Gauteng Province. 15. Factors affecting sustainable infrastructure delivery in South Africa - a case of Gauteng Province.
Skills and Capacity Development	<ol style="list-style-type: none"> 16. Engineering skills development through Mega Construction Projects. 17. Exploring challenges in recruiting and retaining civil engineers within the KwaZulu-Natal Department of Transport. 18. Incorporation of training and skills development in the execution of the South African National Infrastructure Project 19. Skilled labour supply in South Africa in the South African construction industry 20. The relationship between self-efficacy beliefs and career choice of built environment graduates. 21. The potential of built-environment professionals' contribution towards emerging contractor development.
The 4IR disruptions in the Built Environment	<ol style="list-style-type: none"> 22. Examine the Extent of the Alignment of Post School Education and Training (PSET) to supply of skills relevant for the 4th industrial revolution. 23. The construction industry transformation and the digital divide: Bridging the gap.

Thematic Area	Research Output
Sustainability in the Built Environment	24. Assessing strategies for improving the social security of construction workers in Zimbabwe. 25. Design delays in building projects in India: effects and remedies 26. The impediment of efficient megaprojects implementation in South Africa 27. Zero Carbon Emissions in Buildings: a system thinking modelling approach.

4.4.3 Two advisory reports developed and submitted to relevant stakeholders by 31 March 2022. – **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 previous 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 initially focused on Health and Safety, Built Environment Skills Development, Environmental Sustainability and Built Environment Regulations. Areas of national importance include Transformation, the Expanded Public Works programme (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:

I. **Advisory Report on the Role of Built Environment Professions in the Effective Implementation of the FIDPM**

The advisory report provides an overview of the principles and role of the Local Government Infrastructure Delivery Management System (LG IDMS) and goes on to elaborate on key research findings in respect of:

- the characteristics of departments mandated for infrastructure delivery in the eight pilot municipalities selected for this study
- the existence of Built Environment skills in the eight pilot municipalities
- the implementation of supply chain management policies for infrastructure

Discussions and Recommendations

The key research findings emanating from the advisory report in respect of the eight pilot municipalities are as follows:

- Departments responsible for infrastructure service delivery include infrastructure development, infrastructure management and development, technical services, engineering services, technical and infrastructure services and infrastructure services
- The data suggests some similarity in the organisational structure of the infrastructure departments of the eight municipalities; however, there is no standardised name or title for the head of the department responsible for infrastructure
- More concerning than the name of the department is that the functions within the departments responsible for infrastructure service delivery seem to differ slightly between the eight municipalities. There is a shortage of technical skills, particularly infrastructure related expertise, across the eight municipalities
- Majority of municipal Integrated Development Plans reported high vacancy rates, which impacts on service delivery
- The infrastructure service delivery model of municipalities is reliant on outsourcing consultants; as a result, individuals responsible for infrastructure delivery are only exposed to project management work
- Only three out of the eight municipalities have developed and implemented SCM policies aligned to the Local Government (LG) FIDPM; four municipalities have not aligned their SCM policies to the LG FIDPM; and the researcher could not access the SCM policy for one municipality

II. **Advisory Report on Built Environment Skills Requirements to Support the Implementation of the DDM**

This report is a CBE initiative to provide an advisory note on the Built Environment skills requirements to support the implementation of the District Development Model (DDM) to the Department of Cooperative Governance and Traditional Affairs (COGTA) and other relevant stakeholders. The DDM policy is a new cohesive planning approach for Cooperative Governance which is an integrated, district-based, development model aimed at fast-tracking service delivery and ensuring that municipalities are adequately supported and resourced to carry out their mandate.

Only skills development which is linked to organisational objectives can support and enhance the viability and competitiveness of an organisation. In the municipal context, where service delivery rather than competitiveness is a priority, effective skills development will promote efficient service delivery. Employees will be more motivated and committed, relationships with organised labour may improve, retention of staff will be advanced and employment equity will be enhanced. In addition, municipalities may recover 60% of their skills development levy if they plan and implement training in the prescribed manner and may receive further funding for training if it reflects sector priorities and discretionary grants allocated by the LG SETA. For a successful implementation of the DDM through the delivery of infrastructure, Built Environment Professionals must drive the adoption, integration, and implementation of Integrated Digital Delivery technologies to manage projects and building life cycles efficiently from digital design, digital fabrication and digital construction to digital asset delivery and management.

Recommendations for COGTA –

1. It is imperative for COGTA and DPWI - through collaborations with South African Local Government Association (SALGA), DPSA, professional bodies, academic institutions and the private sector – to champion the development of a national strategy to attract, develop and retain Built Environment professionals in the three spheres of government and state entities
2. Local government must implement candidacy programmes aligned to the professional registration requirements of the CBEP
3. Improve the supply of technical skills for local government:
 - a. by paying supplementary wages for Built Environment Professionals in rural and small municipalities
 - b. through the creation of a single and central bursary fund for Built Environment professionals in local government
4. Address weak integration and coordination of programmes and projects both vertically and horizontally by mainstreaming collaborations to avoid potential duplication and diluted impact at district level
5. Support the Municipal Infrastructure Support Agency (MISA) to strengthen capacity within municipalities for the planning, delivery, and maintenance of municipal infrastructure. This can be achieved by facilitating workplace opportunities in municipalities for graduates, apprentices and learners in technical disciplines including technical training for municipal officials
6. DDM champions and technical implementation agents must adapt to modern technology and exploit opportunities presented in curricula development through emerging knowledge areas. Drawing lessons from abroad, Built Environment Professionals must drive the adoption, integration, and implementation of Integrated Digital Delivery technologies to manage projects and building life cycles efficiently from digital design, digital fabrication and digital construction to digital asset delivery and management

Table 24: Programme 4: Objective/Purpose, Planned Targets and Actual Achievements

PROGRAMME 4: RESEARCH AND ADVISORY						
Objective/Purpose	Audited Overall Actual Performance 2019/20	Audited Overall Actual Performance 2020/21	Planned Annual Targets 2021/22	Overall Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
To coordinate research outputs, provide advice and facilitate knowledge on built environment matters, including the professions.	N/A	Three	Three	Three	All targets were achieved There was a positive variance of seven articles published on the Built Environment Research Hub.	CBE stakeholders provided access to more relevant literature for publication, hence the positive variance.

Table 25: Programme 4: Outcome, Output Indicators, Targets and Actual Achievements

PROGRAMME 4: RESEARCH AND ADVISORY								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Informed decision making that impacts the current and future operational requirements of the industry.	Four research discussion papers developed in line with the CBE Research Agenda.	4.1 Number of research discussion papers developed in line with the CBE Research Agenda.	N/A	Achieved Approved CBE Research Agenda by 31 March 2021.	Four research discussion papers developed in line with the CBE Research Agenda by 31 March 2022.	Achieved Four research discussion papers were developed in line with the CBE Research Agenda.	N/A	N/A
	Number of articles published on the Built Environment Knowledge and Information Hub in line with thematic areas.	4.2 Functional Built Environment Research Hub.	N/A	Achieved Established and functional Built Environment Research Hub by 31 March 2021.	Twenty articles published on the Built Environment Knowledge and Information Hub in line with thematic areas by 31 March 2022.	Achieved Twenty-seven articles published on the Built Environment Knowledge and Information Hub in line with thematic areas.	There was a positive variance of seven articles published on the Built Environment Research Hub.	CBE stakeholders provided access to more relevant literature for publication, hence the positive variance.

PROGRAMME 4: RESEARCH AND ADVISORY								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Reasons for Deviations
Informed decision making that impacts the current and future operational requirements of the industry.	Advisory Briefs developed and submitted to relevant stakeholders.	4.3 Number of Advisory Briefs developed and submitted to relevant stakeholders.	N/A	Achieved Two Built Environment advisory reports developed and submitted to the Minister of PWI by 31 March 2021.	Two advisory reports developed and submitted to relevant stakeholders by 31 March 2022.	Achieved Two advisory reports were developed and submitted to relevant stakeholders: a. Advisory Report on the Role of Built Environment Professions in the Effective Implementation of the FIDPM. b. Advisory Report on the Built Environment Skills Requirements to Support the Implementation of the DDM.	N/A	N/A

Table 26: Programme 4: Linking Performance with Budget

Programme /Activity/ Objective	2020/21			2021/22		
	Budget R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000
Performance Indicator						
4.1 Number of research discussion papers developed in line with the CBE Research Agenda.	15	11	4	141	14	127
4.2 Functional Built Environment Research Hub.	-	-	-	496	-	496
4.3 Number of Advisory Briefs developed and submitted to relevant stakeholders.	9	3	6	10	8	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 2021/22 APP, Programme 5 had three annual targets. The targets performed as follows:

4.5.1 Hundred percent of the Built Environment legislative updates action plan implemented by 31 March 2022. – 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 Built Environment legislative updates action plan were implemented by 31 March 2022. To achieve this target an Action Plan, outlining activities to be undertaken, was developed to guide the process for the legislative amendments. The identified deliverables for 2021/22 financial year as per the Action Plan below were pursued in the following manner:

Table 27: Built Environment Legislative Updates Action Plan

Deliverable	Action Required	Responsible Person	Delivery Date	Purpose of the Action	Comments
First meeting with the Built Environment Legal Forum (BELF).	Convene first meeting to develop a road map to implement the Action Plan.	CBE/BELF	30 June 2021	This is an essential forum for concerns to be raised and for such problems to be collectively addressed.	The meeting was held on 13 May 2021.
Add two precedents to the depository.	Add two precedents falling within the ambit of the developed framework to the depository.	CBE	30 June 2021	The purpose of this depository is to develop a body of knowledge and to establish the CBE as both a coordinator and thought leader.	Two precedents were added on 28 June 2021.
Conduct a gap analysis of the CBEP's current investigation and disciplinary hearing processes.	Assist the councils to follow good practice when conducting disciplinary hearings and investigations.	CBE	30 June 2021	This was the next logical step following a workshop held earlier this year.	The gap analysis was conducted.
Present a proposal to the CBE regarding proposed legislative amendments.	The CBEP requested a number of amendments to the CBEP and CBEP's legislation.	CBE	30 September 2021	The proposed legislative amendments will address loopholes such as the lack of mechanisms for dealing with unregistered persons and the lack of alternative dispute resolution measures.	The proposal for CBE legislative amendments were presented to the Acting COO. As outlined, the purpose of the legislative amendments is to address loopholes regarding the regulatory role of the CBE.
Meeting with BELF.	Comply with BELF terms of reference.	CBE/BELF	30 September 2021	These meetings review progress of the BELF's action plan.	The meeting was held on 27 August 2021. The purpose of having regular meetings with the BELF is to address and determine gaps in the current legislation to provide informed advice to the Minister.

Deliverable	Action Required	Responsible Person	Delivery Date	Purpose of the Action	Comments
Add two precedents to depository	Add two precedents falling within the ambit of the developed framework to the depository.	CBE	30 September 2021		Two precedents were added on 13 September 2021. The purpose of this depository is to develop a body of knowledge and establish the CBE as both a coordinator and thought leader. Pending the legislative changes, the legal precedents can assist in providing clarity on the rule of law, as case law is classified as a source of law.
Develop a Guideline Document for the CBEP' on how to conduct disciplinary hearings and investigations.	Assist the councils to follow good practice when conducting disciplinary hearings and investigations.	CBE	30 December 2021	This is to give effect on the workshop conducted in the previous financial year on how to conduct a disciplinary hearing and investigation.	The Guideline was developed and issued to the CBEP to assist them in following good practice in conducting disciplinary hearings and investigations.
Conduct an awareness campaign and develop documents to educate and assist the South African Police Services (SAPS) and National Prosecuting Authority (NPA) on CBEP, the work of CBEP and the applicable law enforcement.	Lobby and gain support of the applicable law enforcement agencies to ensure that transgressions are dealt with.	CBE	30 December 2021	To develop a concept document for an awareness campaign. The CBEP have identified the lack of law enforcement as a major problem in the Built Environment and a danger to the survival of the Built Environment Professions.	The concept document was developed, and will be used in the next financial year to conduct an awareness campaign for the law enforcement agencies i.e., SAPS, NPA etc.

Deliverable	Action Required	Responsible Person	Delivery Date	Purpose of the Action	Comments
Add two precedents to depository.	Add two precedents falling within the ambit of the developed framework to the depository.	CBE	30 December 2021	The purpose of this depository is to develop a body of knowledge and establish the CBE as both a coordinator and thought leader.	Two precedents were added on 06 December 2021. The purpose of this depository is to develop a body of knowledge and establish the CBE as both a coordinator and thought leader. Pending the legislative changes, the legal precedents can also assist in providing clarity on the rule of law, as case law is classified as one source of law.
Meeting with BELF.	Meeting with BELF in accordance with ToR of BELF.	CBE/BELF	31 March 2022	This meeting will serve to, amongst others, review progress with the implementation of legislative amendments.	The meeting was held on 25 February 2022.
Add two precedents to depository.	Two precedents falling within the ambit of the developed framework to be added to the depository.	CBE/CBEP	31 March 2022	-	Two precedents were added on 09 March 2022.
Final Report on activities of the action plan.	A report on the activities of the BELF and related matters during the financial year for information of the CBE COO.	CBE	31 March 2022	-	Report was developed.

4.5.2 Hundred percent of lodged appeals finalised within the statutory 60 days from the date of lodgement by 31 March 2022. – **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. The report on compliance with the CBE's mandate to decide appeals within 60 days of lodgement was developed. A total of six appeals were lodged during the financial year, all of which were due for decision. All six appeals were decided within the statutory period of 60 days.

APPEAL 1: IZAK CHRISTOFFEL VAN DER VYVER VERSUS SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION (SACAP) AND ANOTHER

Date of lodgement:	23 May 2021
Date on which 60 days lapsed:	22 July 2021
Date of the appeal hearing:	16 July 2021
Date of decision:	07 July 2021

Nature of the Appeal

The appellant appealed a decision of SACAP's Investigating Committee for not preferring charges against a registered person following a complaint.

Appeal Committee Appointed

Adv Matolwane Ignatius Mokotjo	Chairperson
Mr Jeffrey Frank Pipe	Generalist
Ms Maria Caterina Paschini	Specialist

Outcome of the Appeal

The Appeal was postponed sine die following a request from the Appellant to postpone the matter due to medical reasons. The appellant was therefore required to inform the Appeal Committee when fit and ready to proceed with the matter. However, the appellant, withdrew the appeal on his return.

APPEAL 2: LILLIAN MAKGOLELA SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION (SACAP) AND ANOTHER

Date of lodgement:	30 June 2021
Date on which 60 days lapsed:	29 August 2021
Date of the appeal hearing:	17 August 2021
Date of decision:	27 August 2021

Nature of the Appeal

The appellant appealed a decision of SACAP's Investigating Committee for not preferring charges against a registered person following a complaint.

Appeal Committee Appointed

Adv Lebogang Cordelia Stroom-Nzama	Chairperson
Mr Shoayb Loonat	Generalist
Dr Dustin Andreas Tusnovics	Specialist

Outcome of the Appeal

The Appeal was dismissed. The Appeal Committee found no improper and unprofessional conduct from the Second Respondent (Mr Riaan van Biljon). Furthermore, the Appeal Committee confirmed that the First Respondent (SACAP) followed the correct procedure in dealing with the initial complaint received from the Appellant. As a result of the aforesaid the Appeal Committee ordered that:

- (a) The appeal is dismissed
- (b) The decision of First Respondent (SACAP) is upheld

APPEAL 3: RON BEEBY VERSUS THE ENGINEERING COUNCIL OF SOUTH AFRICA (ECSA)

Date of lodgement:	04 October 2021
Date on which 60 days lapsed:	03 December 2021
Date of the appeal hearing:	26 November 2021
Date of decision:	30 November 2021

Nature of the Appeal

An appeal was lodged on 04 October 2021 against a decision of ECSA's Disciplinary Tribunal for failure to recuse themselves following a recusal application.

Appeal Committee Appointed

Adv Matolwane Ignatius Mokotjo	Chairperson
Dr Watermeyer	Generalist
Mr Neo Tladinyane	Specialist

Outcome of the Appeal

The appeal was dismissed on the basis that the CBE Appeal Committee lacks jurisdiction to decide on the matter. The Appeal Committee further recommended that ECSA must, in future, ensure that members of the public are informed of their right and any other internal processes available to them.

APPEAL 4: THABO ZACHARIA HLABELA VERSUS THE ENGINEERING COUNCIL OF SOUTH AFRICA (ECSA) AND ANOTHER

Date of lodgement:	08 November 2021
Date on which 60 days lapsed:	07 January 2022
Date of the appeal hearing:	09 December 2021
Date of decision:	20 December 2021

Nature of the Appeal

The appellant appealed a decision of ECSA's Investigating Committee for not preferring charges against a registered person following a complaint.

Appeal Committee Appointed

Mr Selema Makubung	Chairperson
Mr Darryl Riley	Generalist
Mr Serge Banza	Specialist

Outcome of the Appeal

The appeal was dismissed on the basis that the CBE Appeal Committee lacks jurisdiction to decide on the matter. The matter was returned to the First Respondent (ECSA) to decide on it. As a result of the aforesaid, the Appeal Committee ordered that:

- a. The appeal is dismissed
- b. The matter returns to ECSA for decision
- c. No order as to costs

APPEAL 5: JAMES NDEBELE VERSUS THE ENGINEERING COUNCIL OF SOUTH AFRICA (ECSA) AND OTHERS

Date of lodgement:	08 November 2021
Date on which 60 days lapsed:	07 January 2022
Date of the appeal hearing:	10 December 2021
Date of decision:	07 January 2022

Nature of the Appeal

The appellant appealed a decision of ECSA's Investigating Committee for not preferring charges against a registered person following a complaint.

Appeal Committee Appointed

Ms Linda Manyathi	Chairperson
Mr Eugene Barnard	Generalist
Mr Clint Koopman	Specialist

Outcome of the Appeal

The appeal was upheld. The matter was returned to ECSA for reconsideration. As a result of the aforesaid:

- a. The First Respondent (ECSA) was directed to reconsider its decision and take appropriate steps against the Third Respondent (Mr van Tonder) for not keeping records for over 10 years
- b. The First Respondent was directed to ignore the findings in the investigation report of the Second Respondent (Mr Anderson) as they are inconsistent with the evidence presented by the Appellant and admissions made by the Second Respondent in his oral submission

APPEAL 6: THAPELO MMUSINYANE AND ANOTHER VERSUS THE SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION (SACPVP)

Date of lodgement:	18 January 2022
Date on which 60 days lapsed:	19 March 2022
Date of the appeal hearing:	11 February 2022
Date of decision:	16 March 2022

Nature of the Appeal

The Appellant appealed the sanction imposed by SACPVP's Disciplinary Tribunal.

Appeal Committee Appointed

Mr Mohamad Motala	Chairperson
Mr Shoayb Loonat	Generalist
Mrs Tracey Myers	Specialist

Outcome of the Appeal

The Appeal Committee concluded that there was no doubt as to the correctness of the Tribunal's findings with respect to the Second Appellant (Mr Ramovha). The Appeal Committee found no misdirection which warrants them disturbing the findings of fact or credibility or law that were made by the Tribunal. As a result of the aforesaid the Appeal Committee ordered that:

- a. The appeal of the First Appellant (Mr Mmusinyane) is upheld
- b. The appeal of the Second Appellant is dismissed. Both the conviction and sanction of the Tribunal were confirmed

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 2022. – **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 complying 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. The final Corporate Governance assessment of the six CBEP on compliance with the provisions of the adopted Governance Framework was developed and approved.

The six CBEP were assessed on compliance with the provisions of the adopted Governance Framework. Consultations with them were held as follows:

26 May 2021	SACAP
04 June 2021	SACLAP
30 August 2021	SACPVP
08 September 2021	SACQSP
18 November 2021	ECSA
01 December 2021 and 04 February 2022	SACPCMP

SACAP: The assessment outcome revealed a high level of compliance with the adopted governance framework, attributed to a mixture of their commitment and enthusiasm towards compliance and their larger capacity. The development of a Board Charter, risk policy and strategy and appointment of an Audit and Risk Committee play a significant role in ensuring compliance. Regarding the approved Ministerial Policy Framework, SACAP developed all the required policies. SACAP has improved from its assessment in the previous financial year and is now closer to achieving 100% compliance with the adopted Governance Framework.

SACLAP: The assessment outcome revealed a moderate level of compliance with the adopted Governance Framework. SACLAP has improved from its assessment in the previous financial year; however, non-compliance with some principles are due to lack of resources and capacity. On the approved Ministerial Policy Framework, SACLAP has three outstanding policies yet to be developed. It has accepted the CBE's offer of an implementation plan to assist in developing its outstanding policies.

ECSA: The assessment outcome revealed a high level of compliance with the adopted Governance Framework, attributed to its larger capacity. The development of a Board Charter, risk policy and strategy and appointment of an Audit and Risk Committee play a significant role in ensuring compliance. Regarding the approved Ministerial Policy Framework, ECSA developed all the required policies. The International Agreement Policy, the last to be approved, was expected to be approved before the end of this financial year. ECSA improved from its assessment in the previous financial year; it is now 100% compliant with Part A (King IV Principles) of the adopted Governance Framework.

SACPVP: The assessment outcome revealed a moderate level of compliance with the adopted Governance Framework. SACPVP improved from its assessment in the previous financial year; however, non-compliance with some principles is due to lack of capacity and resources. SACPVP accepted the CBE's offer of an implementation plan to assist in developing its outstanding policies. On the approved Ministerial Policy Framework, SACPVP has three outstanding policies yet to be finalised and approved by its Council.

SACPCMP: The assessment outcome revealed a high level of compliance with the adopted Governance Framework. A larger capacity, a risk policy and strategy in place, the appointment of an Audit and Risk Committee and a service provider to deal with IT-related matters all play a significant role in ensuring compliance. Regarding the approved Ministerial Policy Framework, SACPCMP has two outstanding policies yet to be developed. SACPCMP improved from its assessment in the previous financial year; it must now comply with a few outstanding areas of Part A (King IV Principles) of the adopted Governance Framework to achieve 100% compliance with the adopted Governance Framework.

SACQSP: The assessment outcome revealed a high level of compliance with the adopted Governance Framework, attributed to their commitment and enthusiasm towards compliance. The development of the risk policy and strategy, the appointment of an Audit and Risk Committee and a service provider to deal with IT-related matters all play a significant role in ensuring compliance. Regarding the approved Ministerial Policy Framework, SACQSP has two outstanding policies yet to be developed. SACQSP improved from its assessment in the previous financial year; it is now closer to achieving 100% compliance with the adopted Governance Framework.

Recommendations

The lack of resources and capacity evidence as a common factor across most of the CBEP. Hence the CBE, in its advisory role to ensure 100% compliance with the Governance Framework, must assist them to develop their outstanding policies. The CBE will develop an implementation plan to ensure that policies are duly adopted. The CBE encouraged the CBEP to adhere to principles of the Approved Ministerial Policy Framework and the professions Acts which provide for consultation between itself and the concerned CBEP on any policy that must be developed and approved.

The CBE shares documents such as terms of reference and policies with the CBEP to assist and guide them to develop their outstanding structures.

During the assessment consultations, it emerged that there are several services that the CBEP can communally utilise on a shared platform (such as the Whistle Blower service). The CBE must raise this at the Registrars Forum and introduce the proposal to the CBEP not yet in the loop.

Challenges

Lack of capacity and resources in some CBEP hamstringing their progress in complying with the adopted Governance Framework. The mechanisms proposed by CBE to assist the CBEP to develop all outstanding policies can only work if the concerned CBEP implement the proposed plan.

Lack of enforcement by the CBE is another factor that impedes compliance with the Governance Framework.

Table 28: Programme 5: Objectives/Purpose, Planned Targets and Actual Achievements

PROGRAMME 5: REGULATION AND PUBLIC PROTECTION						
Objectives/Purpose	Audited Overall Actual Performance 2019/20	Audited Overall Actual Performance 2020/21	Planned Annual Targets 2021/22	Overall Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22	Comment on Deviations
Ensuring that the CBE protects the interest of the public in the Built Environment.	One	Three	Three	Three	All targets were achieved	N/A
Ensuring that the built environment councils adhere to principles of the Governance Framework.						

Table 29: Programme 5: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

SUB-PROGRAMME: PUBLIC PROTECTION							
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from Planned Target to Actual Achievement for 2021/22
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 Built Environment legislative updates action plan implemented.	N/A	Achieved Hundred percent of recommended Built Environment Legislative Updates action plan implemented by 31 March 2021.	Hundred percent of the Built Environment legislative updates action plan implemented by 31 March 2022.	Achieved Hundred percent of the Built Environment legislative updates action plan implemented.	N/A
Promote and protect public interest in the Built Environment.	Finalise lodged appeals within 60 days.	5.2 Percentage of lodged appeals finalised within the statutory 60 days from the date of lodgement.	Achieved 100% of appeals finalised within the statutory 60 days of their lodgement by 31 March 2020.	Achieved Hundred percent of lodged appeals finalised within the statutory 60 days from the date of lodgement by 31 March 2021.	Hundred percent of lodged appeals finalised within the statutory 60 days from the date of lodgement by 31 March 2022.	Achieved A total of six appeals were lodged during the financial year, all of which were due for decision. All six appeals were decided within the statutory period of 60 days.	N/A

SUB-PROGRAMME: SOUND GOVERNANCE FOR COUNCILS IN THE BUILT ENVIRONMENT						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22
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.	Not Achieved One workshop conducted with CBEP by 31 March 2020 to promote the principles of the final Governance Regulatory Framework.	Achieved One Corporate Governance assessment of the six CBEP on compliance with the provisions of the adopted Governance Framework developed by 31 March 2021.	One Corporate Governance assessment of the six CBEP on compliance with the provisions of the adopted Governance Framework developed by 31 March 2022.	Achieved One Corporate Governance assessment of the six CBEP on compliance with the provisions of the adopted Governance Framework developed.
					N/A	N/A
						Deviation from Planned Target to Actual Achievement for 2021/22
						Comment on Deviations

Table 30: Programme 5: Linking Performance with Budget

Programme /Activity/ Objective	2020/21			2021/22		
	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
5.1 Percentage of recommended Built Environment legislative updates action plan implemented.	-	-	-	624	569	55
5.2 Percentage of lodged appeals finalised within the statutory 60 days from the date of lodgement.	658	650	8	192	45	147
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. 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 R53.528 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 received levy income from the CBEP which amounted to R1.711 million for the financial year.

6. Revenue Collection

The table below indicates the sources of revenue:

Table 31: Sources of Revenue

Source of revenue	2021/22			2020/21		
	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	53 528	53 528	-	48 813	48 813	-
Levies	2 308	1 711	597	-	2 075	(2 075)
Interest	553	584	(31)	445	481	(36)
Other operating income	1	241	(240)	469	730	(261)
Total	56 390	56 064	326	49 727	52 099	(2 372)

Reasons for the (Over) / Under Collection

6.1 Government Grant from DPWI

The grant income from DPWI was received as budgeted.

6.2 Levies Received

Less than budgeted levies was received from ECSA, due to less membership fees collected.

6.3 Interest Income

The CBE is optimising its revenue. The interest received was due to the delay in certain

6.4 Other Operating Income

The major contributor for the amount over collected was from:

- proceeds from insurance claims for assets replaced
- accrued income for a claim finalised after year-end from the employment benefit service provider

6.5 Programme Expenditure

Table 32: Expenditure per Programme

Programme	2021/22			2020/21		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
Programme 1: Administration	52 271	50 280	1 991	47 133	50 388	(3 255)
Programme 2: Transformation	571	805	(234)	186	49	137
Programme 3: Skills and Capacity Development	2 084	2 064	20	1 718	1 165	553
Programme 4: Research and Advisory	648	21	627	24	14	10
Programme 5: Regulation and Public Protection	816	616	200	666	652	14
Total	56 390	53 786	2 604	49 727	52 268	(2 541)
Assets (additions)	-	1 662	(1 662)		993	(993)
Total including assets (additions)	56 390	55 448	942	49 727	53 261	(3 534)

Reasons for (Over) / Under Expenditure

6.5.1 Administration

The surplus is attributable to:

- Depreciation and amortisation which is not budgeted for in a cash-based budget
- A delay in finalising the datacentre cloud bid
- A budget allocated for the CBE's 20-year strategic review; however, there was no suitable service provider identified to undertake the project
- the former CEO's settlement budgeted but not finalised at year end
- Prior year committed funds, utilised for the revenue enhancement strategy, organisational redesign and computer expenses (i.e. Microsoft 365, Kaspersky and the Integrated Electronic Built Environment System) resulted in actual expenditure exceeding budgeted expenditure. The difference was offset against the underspending indicated above

6.5.2 Transformation

The shortfall is attributable to the payment of TCC Chairpersons, which exceeded what was initially budgeted for.

6.5.3 Skills and Capacity Development

The surplus is attributable to accreditation visits not scheduled due to the third wave of the COVID-19 pandemic, which resulted in savings on travel.

6.5.4 Research and Advisory

The procurement of the Knowledge Management Hub was finalised towards the end of the financial year.

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 2021/22 reporting period and the prior 2020/21 financial year:

Table 33: Infrastructure Projects

Infrastructure projects	2021/22			2020/21		
	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.

7. Capital Investment

The CBE did not have any infrastructure projects during the 2021/22 and prior years.



PART C

GOVERNANCE



1. Introduction

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

- (a) 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

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 2021/22 financial year, the CBE presented the following to the PPC:

- (i) The CBE's 2020/21 Annual Report
- (ii) The CBE's 2021/22 Annual Performance Plan

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 2021/22 financial year.

Table 34: Reports Submitted to the Minister of Public Works and Infrastructure

Accountability Report	Date of Submission to DPWI
Annual Report 2021/22	August 2021
Annual Performance Plan 2021/22	January 2021
Fourth Quarterly Report 2020/21	April 2021
First Quarterly Report 2021/22	July 2021
Second Quarterly Report 2021/22	October 2021
Third Quarterly Report 2021/22	January 2022

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.

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).

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, DPWI, 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.

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.*

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 07 November 2018, effective from 01 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. An induction session for Council members followed on 17 January 2019.

The appointed Chairperson resigned on 27 June 2019; subsequently two members of Council followed with their resignations. The two mandated representatives from SACAP were not initially appointed to Council, leaving Council with five vacancies at this time. 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 06 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.

Since June 2021 a further eight Council members resigned citing various reasons.

The Minister of PWI appointed the three public representatives on 23 March 2022; however, one member declined the appointment.

Council remained with ten members.

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 are in the process of entering into a Shareholder Compact to promote good governance and engagement between the parties.

4.6 Challenges

The following challenges confronted the CBE during the financial year of reporting:

- (a) Resignations from Council and the resultant vacancies
- (b) Continuation of the COVID-19 National Lockdown
- (c) Resignation of the CEO and COO end of June 2021
- (d) Recruitment and appointment of the new CEO and COO to take up office on 01 November 2021

4.7 Meetings of Council

Date	Scheduled	Special	Workshop/ Training	Purpose
27 May 2021				Q1 deliverables
21 June 2021				Appointment of interim or fixed term CEO
2 July 2021				Appointment of the interim CEO
12 August 2021				Workshops: Strategic Planning and Risk
27 August 2021				Q2 deliverables
29 September 2021				Appointment of CEO and COO; Altimax report recommendations; Settlement: Former CEO
25 November 2021				Rescheduled to 03 December 2021 due to lack of quorum
3 December 2021				Q3 deliverables
27 January 2021				Approval of 2022/2023 APP
17 March 2022				Postponed due to lack of quorum

Legend:

- Q1 Quarter 1
Q2 Quarter 2
Q3 Quarter 3

Matters Approved by Council	Q1	Q2	Q3	Q4
2020/2021 Audited Annual Report and Financial Statements for statutory submissions				
2020/2021 Mid-Term Budget Review				
2022/2023 Annual Performance Plan for statutory submission				
2022/2023 Budget Allocation				
2021 Cost of Living Increase				
Appointment of chairpersons and members of the Standing Appeal Committee to serve on a rotational basis				
2022/2023 Corporate Meeting Calendar				
2022 EXCO Members Elected				
Review of Council Charter; Delegation of Authority; Terms of Reference: EXCO, FHLC, BEMC, SMMCC; Revised Standard Operating Procedure				
CBE Macro Organisational Structure				
Nexus Report and Disciplinary Action				
Altimax Report Recommendations				
Internal Audit Recommendation regarding the Company Secretary Position				
Expenditure Report per Council and Committees				
Revenue Enhancement Strategy				
2020/2021 Quarterly Expenditure Report				
2021/2022 Quarterly Expenditure Reports				

Matters Approved by Council	Q1	Q2	Q3	Q4
Procurement Report and Procurement Plan				
CEO Recruitment: Terms of Reference / Processes				
Bid Cancellation: Datacentre Cloud and Office Accommodation				

Matters Considered by Council	Q1	Q2	Q3	Q4
External Audit Management Letter and Audit Report for the year ending 31 March 2021				
Chairpersons report of EXCO, ARC, FHLC, BEMC and Presidents Forum				
CEO report				
Compliance Report				
Strategic Risk Register				
2021/2022 Unqualified Audit Report				

National Stakeholder Meetings held during the 2021/22 Financial Year

Date	Stakeholder Workshop Meetings	Purpose
14 May 2021	EAPASA	Discussions regarding a MoU
22 June 2021	National Stakeholder Engagement	Procurement and Legislation
10 September 2021	BE Sector Input: Draft NIP 2050	Review the draft NIP 2050; establishment of a technical task team
13 September 2021	Draft NIP 2050 Technical Task Team	Review and collate inputs
14 September 2021	Draft NIP 2050 Technical Task Team	Review and collate inputs
16 September 2021	Draft NIP 2050 Technical Task Team	Review and collate inputs
21 September 2021	Stakeholder Workshop	cidb Register of Professional Service Providers Economic Recovery Reconstruction Plan
27 September 2021	Draft NIP 2050 Technical Task Team	Review and collate inputs
30 September 2021	Stakeholder Workshop: Procurement Policy and Legal	Policy implication of Procurement Bill Status quo of professional services procurement
4 October 2021	Meeting CBE and cidb	Register of Professional Service Providers
20 October 2021	Draft NIP 2050 Technical Task Team	Compilation of Chapter 3: Transformation
28 October 2021	Draft NIP 2050 Technical Task Team	Compilation of Chapter 3: Transformation
3 November 2021	Draft NIP 2050 Technical Task Team	Compilation of Chapter 3: Transformation
8 November 2021	Draft NIP 2050 Technical Task Team	Compilation of Chapter 3: Transformation
10 November 2021	Stakeholder Engagement	Register of Professional Service Providers
11 November 2021	Draft NIP 2050 Technical Task Team	Implementation Plan
12 November 2021	EAPASA	Finalise and sign MoU
6 December 2021	Stakeholder Engagement	NT response on procurement
10 December 2021	National Stakeholder Engagement	Feedback on progress regarding matters addressed in the stakeholder meetings
13 December 2021	Meeting CBE and DPWI	Professionalisation of REAM
23 March 2022	Stakeholder Engagement	Roster system
30 March 2022	Stakeholder Engagement	Retired Engineers

Whistle Blowers Reports / Investigations

Council resolved that the Whistle Blowers reports received in the 2019/2020 financial year be investigated. Altimax was appointed to determine the scope of irregular expenditure in the 2015/2016 financial year and recommend consequence management.

Table 35: Investigations

Date	Meetings	Investigation and Status
15 June 2021	Altimax	Appointed to investigate the scope of irregular expenditure in the 2015/2016 financial year
15 July 2021	Special ARC	Altimax presented the report on the scope of irregular expenditure during 2015-2017
24 August 2021	Special ARC	Altimax presented the revised report on the scope of irregular expenditure during 2015-2017
27 August 2021	Council	Altimax presented the investigation report on the scope of irregular expenditure during 2015-2017 to Council; Council requested additional information to be provided regarding the procedures followed in determining the irregular expenditure
29 September 2021	Council	Approve the recommendations of the Altimax report.
24 January 2022	ARC Meeting – Internal Audit Investigative Report	To investigate allegations of misconduct by a CBE Official – the report found no misconduct and that procedures were followed

Table 36: Fifth Term Council

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Dr Sitsabo Samuel Dlamini (Chairperson)	Section 5(2)(c) Nominated by SACAP	20 January 2020	-	PhD; MSc in International Construction Management; Architectural Technology	-	-	CBE: Chair Council Chair EXCO FHLC Member BEMC Member	104
Keafisha 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 Chair BEMC FHLC Member	101
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	22
Dr Keith Ivor Jacobs	Section 5(2)(c) Nominated by ECSA	1 November 2018	-	PhD; Master Business Admin; Honours Business Admin; B.Ed; Nat Dipl Technicians	-	-	CBE: Council Member Chair FHLC	38

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
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 KZN COGTA; Member Bid Appeals Tribunal KZN Prov Treasury; Commissioner Small Claims Court	CBE: Council Member FHLC Member	35
Hendrick Nlovu	Section 5(2)(c) Nominated by SACPPV	1 November 2018	-	Nat Dipl Real Estate, Cert Strategic Management	-	-	CBE: Council Member BEMC Member	4
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	16
Willie Ofentse Mothowamodimo	Section 5(2)(c) Nominated by SACLAP	20 January 2020	-	Architecture; BL Architecture (Honours); ML Architecture	-	-	CBE: Chair Council BEMC Member	9

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Ashley Latchu	Section 5(2)(d) Public nominee	23 March 2022	-	BSc IT Management; Honors Degree; MSc Degree; MCSE, MCSD, MCSA, MCDBA	-	CIO – Human Sciences Research Council (HSRC); Acting Group Executive; Shared Services (B&M Oversight); e-Tutor UNISA; Board Member – The Performing Arts Centre – Free State; Board Member – The National Arts Council – Gauteng; Board Member – Tertiary Education and Research Network of South Africa (TENET) – Western Cape; Board Member – William Humphreys Art Gallery (WHAG) – Kimberley; Risk Committee Member – HSRC; Audit & Risk Committee Member – PACOFS; Audit & Risk Committee Member – Eastern Cape Department of Transport – Mayibuye Transport Corp	CBE: Council Member	0

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Ditaba Lucy Maraka	Section 5(2)(d) Public nominee	23 March 2022	-	BA Art; BA Education; BA Hon; Psychometrist; Masters Diploma in HRM; Ethics Officer	-	Associate HR Auditor; Chartered HP Professional (CHRP); Ethics Officer-The Ethics Institute (TEI); University of Stellenbosch Business School (USB-ED); Business executive, specializing in HR / Training / Psychometrist / HR Audits / Career Development. I have more than 39 years' experience in HR and the Construction environment providing bespoke business solutions; Women in Business Empowerment; Construction; Civil Construction	CBE: Council Member	0
Resignations								
Nokubonga Veronika Fakude	Section 5(2)(d) Public nominee	23 March 2022	23 March 2022	Practical Legal Training Certificate 2015, LLB 2013	-	Member National Archives Advisory Council	CBE: Council Member	0

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Nonizi Qina	Section 5(2)(c) Nominated by SACQSP	1 November 2018	25 February 2022	MSc Project Management; BTech Quantity Surveyor;	-	-	CBE: Council Member BEMC Member	12
Gert Hendrik Meyer	Section 5(2)(c) Nominated by SACQSP	1 November 2018	23 February 2022	BSc (QS); MSc (Building Management)	-	-	CBE: Council Member Deputy Chair: BEMC	9
Dr Jenitha Badul	Section 5(2)(b) Nominated by Department of Environmental Affairs	1 November 2018	9 February 2022	BSc Microbiology; Masters of Science; PhD; BA Environment Management	-	-	CBE: Council Member BEMC Member	6
Dr Claire Helen Deacon	Section 5(2)(c) Nominated by SACPCMP	1 November 2018	8 November 2021	Dipl Gen Nursing; Cert Occupational Health Nursing; Cert Audiometry Fundamental Management Programme; BTech Occupational Health; BSc.Med (Hons) Biomedical Engineering M Cur Research Capacity Initiative PhD Construction Management	-	-	CBE: Council Member BEMC Member	6

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Karuni Naidoo	Section 5(2)(c) Nominated by SACAP	20 January 2020	30 September 2021	B. Architecture	-	-	CBE: Chair Council BEMC Member	16
Zandile Yvonne Makhathini	Section 5(2)(b) Nominated by Department of Water Affairs and Sanitation	1 November 2018	27 August 2021	BProc; MBA; MSc in Construction Project Management	-	-	CBE: Council Member Chair BEMC	7
Cyril Vuyani Gamede	Section 5(2)(c) Nominated by ECSA	20 January 2020	Passed Away 1 August 2021	BSc Eng; Masters	-	-	CBE: Chair Council BEMC Member	2
Jerry Leigh Margolius	Section 5(2)(c) Nominated by SACPVP	1 November 2018	7 July 2021	M Phil Nat Dipl: Property Valuations; Arbitrations; Mediation; (Construction, Economics & Management) UCT Certificate of Real Estate	Property Valuation, Sectional Title, Arbitration and Mediation Property Management Real Estate Litigation Support and Expert Witness (Property matters) Property Law	Jerry L Margolius & Associates CC Arbitration & Appraisal Services CC Jonic Trust (Trustee), CTJC C (PTY) Ltd Rates Watch Cape CC Arabella Country Estate Home Owners Association (non- executive Director)	Margin Property valuation services (Pty) Limited (Consultant) Member of Western Cape Provincial Government Property Committee Chairman; Hatfield Management Committee Ministerial Task Team Land Valuer-General, Editor-The Valuer manual (Lexus)	6
Hazel Noluthando Molao	Section 5(2)(c) Nominated by SACPCMP	1 November 2018	30 June 2021	MBA Postgrad Dipl Economics, Property Development and Management BSc (Hons) QS	-	-	CBE: Council Member FHLC Member	0

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	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 Honours; Bachelor Info Tech; CISA; CISM; CIRSC; CGEIT; COBIT5; CISSP; CEH; CHFI; LA ISO 27001;	-	Council for Built Environment, Freedom Park and Gautrain Management Agency	CBE: Council Member ARC Member	0
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	0
Absalom Mosabeni Molobe (Chairperson)	Section 5(2)(c) Nominated by SACLAP	1 November 2018	27 June 2019	BSc Landscape Architecture BL Architecture (Honours) ML Architecture	-	-	CBE: Chair Council Chair EXCO FHLC Member BEMC Member	0
Inge M Vieira	Section 5(2)(d) Public nominee	1 November 2018	21 November 2019	CA, BCompt Honours & CTA; BCompt	-	-	CBE: Council Member FHLC Member	0
Adv Boitumelo Tlhakung	Section 5(2)(c) Nominated by ECSA	1 November 2018	23 November 2018	BA Law; LLB; HDip/Masters Tax Law; HDip Master International Tax Law	-	-		0

4.8 Committees of Council – Purpose and Composition

STATUTORY COMMITTEES				
Executive Committee (EXCO)	Audit and Risk Committee (ARC)		Appeal Committee	
Presidents Forum	AUDIT AND RISK SUB-COMMITTEES			
	IT Steering Committee (ITSC)	Operational Risk Management Committee (ORMC)		
COMMITTEES OF COUNCIL ESTABLISHED AND RECOMMENDED				
Social, Ethics and Governance Committee (SEGC)	Finance, Human Resources and Legal Committee (FHLC)	BUILT ENVIRONMENT MATTERS COMMITTEE (BEMC)		
		Transformation Collaborative Committees (TCC)		
		Stakeholder Management, Marketing and Communications Committee (SMMCC)	Health, Safety, Public Protection and Universal Access Committee (HSPPUA)	Procurement Policy Legislation and Socio- Economic Development Committee (PPLSED)
		Women Empowerment and Gender Equality Committee (WEGE)	Occupational Specific Dispensation Committee (OSD)	Professional Skills and Capacity Development (PSCD)

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 standard operating procedure.

4.8.1 Executive Committee

Established in terms of the CBE Act, 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.

EXCO Meetings

Date	Scheduled	Special	Purpose
12 April 2021			CEO's Q3 Performance Review
22 April 2021			Q4 Report
05 May 2021			CEO Q4 Performance Review
28 July 2021			Q1 Report
28 October 2021			Q2 Report
05 November 2021			Acting CEO's Q2 Performance Review
03 December 2021			Newly Appointed CEO's Performance Agreement
25 January 2022			Q3 Report
08 February 2022			CEO's Q3 Performance Review

Matters Approved by EXCO	Q1	Q2	Q3	Q4
2020/2021 Quarterly Report				
2021/2022 Quarterly Reports				
External Audit Management Letter and Audit Report for the year ending 31 March 2021				
Audited Annual Report and Financial Statements				

Matters Considered by EXCO	Q1	Q2	Q3	Q4
2022 Council Nomination Rules and Procedure				
2022/2023 Corporate Meeting Calendar				
Risk Management Reports and Registers				
Audit Finding Matrix for External and Internal Audit				
Compliance Report				
Stakeholder Management Report				
Revised Council Charter				
Revised Standard Operating Procedure				

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:

- 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;
- The disclosure regarding risk is comprehensive, timely, and relevant;
- Review the annual financial statements, and summarised integrated information;
- Comment on the annual financial statements, the accounting practices and the effectiveness of the internal financial controls;
- Review the disclosure of sustainability issues in the reporting to ensure that it is reliable and does not conflict with the financial information;
- Recommend to Council the engagement of an external assurance provider on material sustainability issues;
- Recommend quarterly and annual reports to for approval by Council;
- Review the content of the summarised information for whether it provides a balanced view;
- Engage the external auditors to provide assurance on the summarised financial information; and
- Ensure that the Risk Register is updated in line with the APP on a bi-annual basis.

ARC Meetings

Date	Scheduled	Special	Purpose
21 April 2021			Q4 Reports
21 May 2021			Progress on Audit of 2020/2021
6 July 2021			Altimax Report Presentation
26 July 2021			Q1 Reports and Outcome of Audit
12 August 2021			Council Workshops: Strategic Planning and Risk
25 October 2021			Q2 Reports
25 January 2022			Q3 Report

Matters Recommended by ARC	Q1	Q2	Q3	Q4
2020/2021 Quarterly Report				
2021/2022 Quarterly Reports				
External Audit Management Letter and Audit Report for the year ending 31 March 2021				
Audited Annual Report and Financial Statements 2020/2021				
Reviewing and recommendation of relevant policies				

Matters Considered by ARC	Q1	Q2	Q3	Q4
Finance/Expenditure/Procurement/Governance/Performance Reports				
Risk Management Report, Strategic and Operational Registers				
IT Governance Reports				
Audit Finding Matrix for External and Internal Audit				
Compliance Report				
Internal Audit Reports and Work Plans				

4.8.3 Appeals Committee

The Council for the Built Environment Act (No 43 of 2000) (the CBE Act) and the professions Acts make provision for the lodgement of appeals against decisions of the 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.

4.8.3.1 Appeal Committee Appointed

Council, at its meeting of March 2021 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 37: Appeal Committee Appointed

Name	Capacity (Chairperson or BE generalist)
Lebogang Cordelia Stroom-Nzama	Chairperson
Boitumelo Obert Mmusinyane	Chairperson
Rebaone Nimrod Gaoraelwe	Chairperson
Mohamad Iqbal Motala	Chairperson
Selemo Ben Makubung	Chairperson
Linda Lydia Manyathi	Chairperson
Matolwane Ignatius Mokotjo	Chairperson
Darrly Robert Riley	BE Generalist
Karl Bailey	BE Generalist
Shoayb Loonat	BE Generalist
Ronald Basil Watermeyer	BE Generalist
Jeffrey Frank Pipe	BE Generalist

Specialists Identified by the CEO as per Council Resolution

Table 38: Specialists Appointed for Appeals

Name	Appeal
Maria Caterina Paschini	Izak Christoffel van der Vyver vs SACAP and Another
Dr Dustin Andreas Tusnovics	Lillian Makgolela vs SACAP and Another
Mr Neo Tladinyane	Ron Beeby vs ECSA
Mr Serge Banza	Thabo Hlabela vs ECSA and Another
Mr Clint Koopman	James Ndebele vs ECSA and Others
Mrs Tracey Myers	Thapelo Mmusinyane and Another vs SACPVP

4.8.3.2 Appeal Committee Sitings

APPEAL 1: IZAK CHRISTOFFEL VAN DER VYVER VERSUS SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION (SACAP) AND ANOTHER

Date of lodgement:	23 May 2021
Date on which 60 days lapsed:	22 July 2021
Date of the appeal hearing:	07 July 2021
Date of decision:	16 July 2021

Nature of the Appeal

The appellant appealed a decision of SACAP's Investigating Committee for not preferring charges against a registered person following a complaint.

Appeal Committee Appointed

Adv Matolwane Ignatius Mokotjo	Chairperson
Mr Jeffrey Frank Pipe	Generalist
Ms Maria Caterina Paschini	Specialist

Outcome of the Appeal

The Appeal was postponed sine die following a request from the Appellant to postpone the matter due to medical reasons. The appellant was therefore required to inform the Appeal Committee when fit and ready to proceed with the matter. The appellant, however withdrew the appeal on his return.

Cost of the Appeal

Chairperson	R 9 000 (Postponement Order)
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APPEAL 2: LILLIAN MAKGOLELA SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION (SACAP) AND ANOTHER

Date of lodgement:	30 June 2021
Date on which 60 days lapsed:	29 August 2021
Date of the appeal hearing:	17 August 2021
Date of decision:	27 August 2021

Nature of the Appeal

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

Appeal Committee Appointed

Adv Lebogang Cordelia Stroom
Mr Shoayb Loonat
Dr Dustin Andreas Tusnovics

Nzama Chairperson
Generalist
Specialist

Outcome of the Appeal

The Appeal was dismissed. The Appeal Committee found no improper and unprofessional conduct from the Second Respondent (Mr Riaan van Biljon). Furthermore, the Appeal Committee confirmed that the First Respondent (SACAP) followed the correct procedure when dealing with the initial complaint received from the Appellant. As a result of the aforesaid the Appeal Committee ordered that:

- a. The appeal be dismissed
- b. The decision of First Respondent (SACAP) is upheld

Cost of the Appeal

Chairperson	R 51 000
Generalist	R 16 500
Specialist	R 22 500

APPEAL 3: RON BEEBY VERSUS THE ENGINEERING COUNCIL OF SOUTH AFRICA (ECSA)

Date of lodgement:	04 October 2021
Date on which 60 days lapsed:	03 December 2021
Date of the appeal hearing:	26 November 2021
Date of decision:	30 November 2021

Nature of the Appeal

An appeal was lodged on 04 October 2021 against a decision of ECSA's Disciplinary Tribunal for failure to recuse itself following a recusal application.

Appeal Committee Appointed

Adv Matolwane Ignatius Mokotjo
Dr Watermeyer
Mr Neo Tladinyane

Chairperson
Generalist
Specialist

Outcome of the Appeal

The appeal was dismissed on the basis that the CBE Appeal Committee lacks jurisdiction to decide on the matter. The Appeal Committee further recommended that ECSA, in future, must ensure that members of the public are informed of their right and any other internal processes available to them.

Cost of the Appeal

Chairperson	R 43 800
Generalist	R 21 000
Specialist	R30 000

APPEAL 4: THABO ZACHARIA HLABELA VERSUS THE ENGINEERING COUNCIL OF SOUTH AFRICA (ECSA) AND ANOTHER

Date of lodgement:	08 November 2021
Date on which 60 days lapsed:	07 January 2022
Date of the appeal hearing:	09 December 2021
Date of decision:	20 December 2021

Nature of the Appeal

The appellant appealed a decision of ECSA'S Investigating Committee for not preferring charges against a registered person following a complaint.

Appeal Committee Appointed

Mr Selema Makubung	Chairperson
Mr Darryl Riley	Generalist
Mr Serge Banza	Specialist

Outcome of the Appeal

The appeal was dismissed on the basis that the CBE Appeal Committee lacks jurisdiction to decide on the matter. The matter was returned to the First Respondent (ECSA) to decide on it. As a result of the aforesaid the Appeal Committee ordered that:

- i. The appeal is dismissed
- ii. The matter returns to ECSA to decide on it
- iii. No order as to costs

Cost of the Appeal

Chairperson	R 51 000
Generalist	R 42 000
Specialist	R31 500

APPEAL 5: JAMES NDEBELE VERSUS THE ENGINEERING COUNCIL OF SOUTH AFRICA (ECSA) AND OTHERS

Date of lodgement:	08 November 2021
Date on which 60 days lapsed:	07 January 2022
Date of the appeal hearing:	10 December 2021
Date of decision:	07 January 2022

Nature of the Appeal

The appellant appealed a decision of ECSA's Investigating Committee for not preferring charges against a registered person following a complaint.

Appeal Committee Appointed

Ms Linda Manyathi	Chairperson
Mr Eugene Barnard	Generalist
Mr Clint Koopman	Specialist

Outcome of the Appeal

The appeal was upheld. The matter was returned to ECSA for reconsideration. As a result of the aforesaid:

- a. The First Respondent (ECSA) was directed to reconsider its decision and take appropriate steps against the Third Respondent (Mr van Tonder) for not keeping records for over 10 years
- b. The First Respondent was directed to ignore the findings in the investigation report of the Second Respondent (Mr Anderson) as they were inconsistent with the evidence presented by the Appellant and admissions made by the Second Respondent during his oral submission.

Cost of the Appeal

Chairperson	R 51 000
Generalist	R 27 000
Specialist	R 41 250

APPEAL 6: THAPELO MMUSINYANE AND ANOTHER VERSUS SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS' PROFESSION (SACPVP)

Date of lodgement:	18 January 2022
Date on which 60 days lapsed:	19 March 2022
Date of the appeal hearing:	11 February 2022
Date of decision:	16 March 2022

Nature of the Appeal

The Appellant appealed the sanction imposed by SACPVP's Disciplinary Tribunal.
Appeal Committee Appointed

Mr Mohamad Motala	Chairperson
Mr Shoayb Loonat	Generalist
Mrs Tracey Myers	Specialist

Outcome of the Appeal

The Appeal Committee concluded that there was no doubt as to the correctness of the Tribunal's findings with respect to the Second Appellant (Mr Ramovha). The Appeal Committee found no misdirection to warrant them disturbing the findings of fact or credibility or law that were made by the Tribunal. As a result of the aforesaid the Appeal Committee ordered that:

- a. The appeal of the First Appellant (Mr Mmusinyane) be upheld
- b. The appeal of the Second Appellant be dismissed. Both the conviction and sanction of the Tribunal were confirmed

Cost of the Appeal

Chairperson	R 51 000
Generalist	R 19 500
Specialist	R 19 500

4.8.3.3 Additional Information

A total of six appeals were lodged and due for decision during the financial year. All six appeals were decided within the statutory period of 60 days.

- The number of appeals against CBEP was as follows:

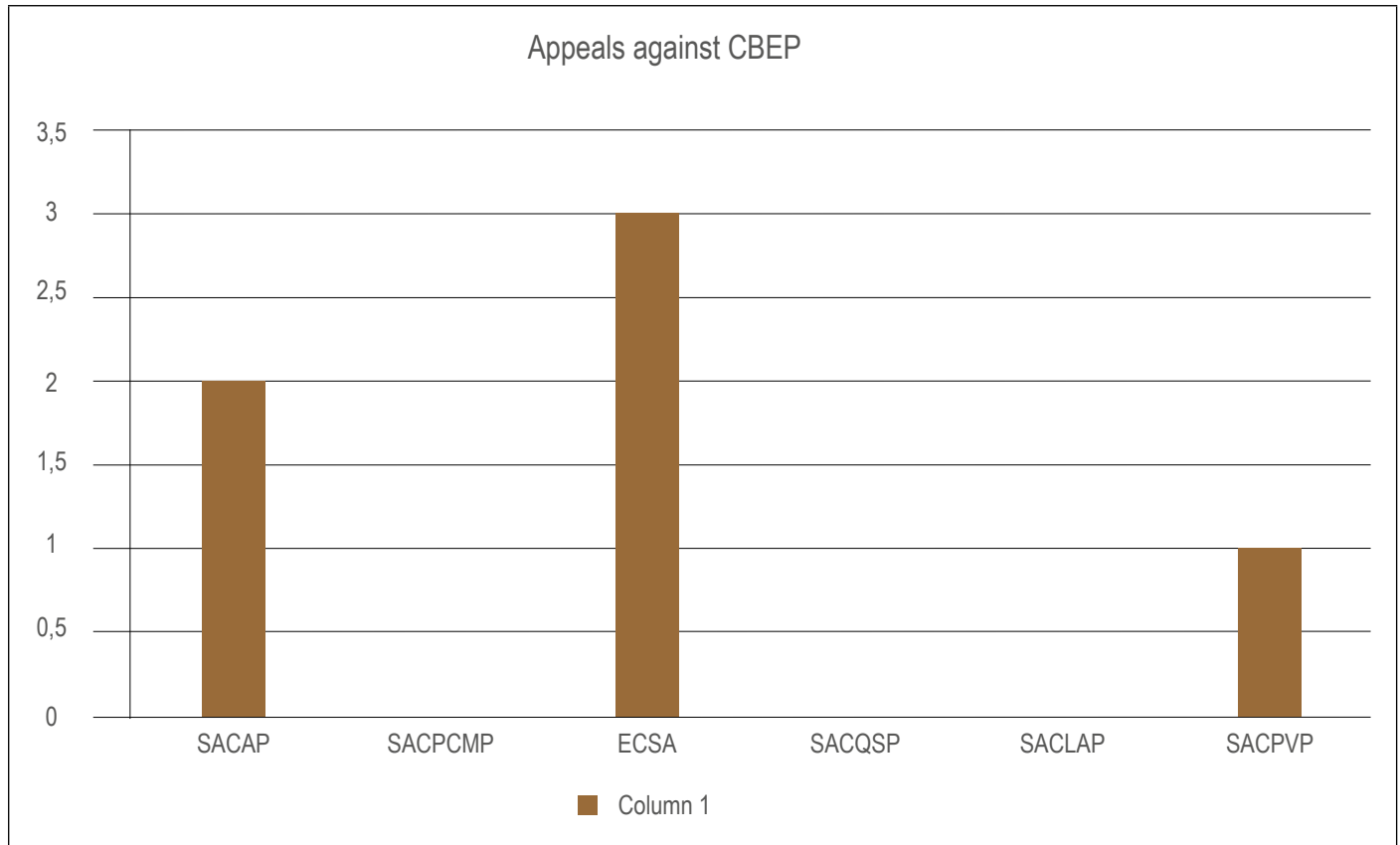


Figure 3: Appeals against the CBEP

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

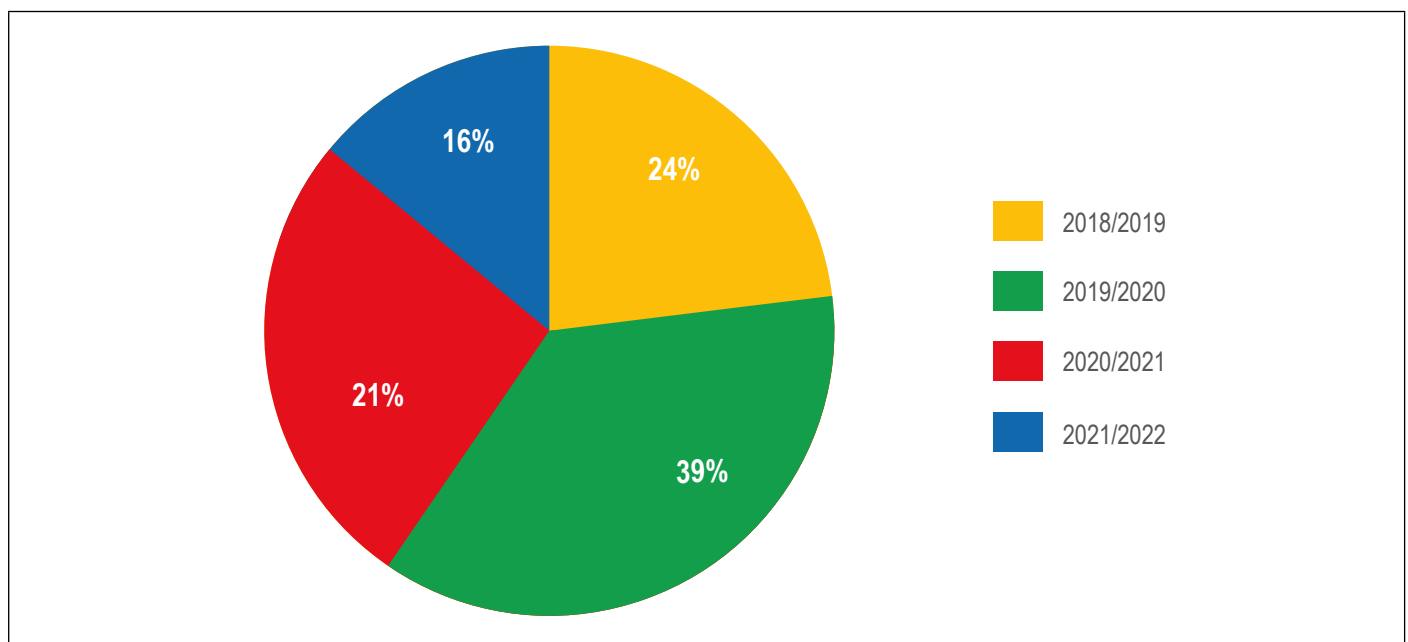


Figure 4: Comparison of Appeals Lodged

- **Appeal Outcomes:**

Appeals upheld (Ruling in favour of appellant):	2
Appeals dismissed (Appeals in favour of CBEP):	3
Appeals withdrawn:	1

Other Committees

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

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 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 DPWI 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

FHLC Meetings

Date	Scheduled	Special	Purpose
19 May 2021			Q4 Reports
22 July 2021			Q1 Reports and Outcome of Audit
21 October 2021			Q2 Reports
17 November 2021			Cost of Living Increases; 2020/2021 Performance Bonuses; Bid Cancellation: Datacentre Cloud and Office Accommodation
24 February 2022			Q3 Reports

Matters Recommended by FHLC	Q1	Q2	Q3	Q4
Recommendation of the Nexus Report and Disciplinary Action				
Internal Audit Recommendation regarding the Company Secretary Position				
2020/2021 Quarterly Expenditure Report				
2021/2022 Quarterly Expenditure Reports				
Expenditure Report per Council and Committees				
Revenue Enhancement Strategy				
2020/2021 Financial Statements and External Audit Management Letter and Audit Report				
Procurement Report and Procurement Plan				
CEO's Recruitment: Terms of Reference / Processes				
Policy Reviewing Process, Reviewing and recommendation of relevant policies				
Cost of Living Increases; 2020/2021 Performance Bonuses; Bid Cancellation: Datacentre Cloud and Office Accommodation				
2021/2022 Midterm Budget Review				
2022/2023 Budget Allocation				
Bid: CBE3/2021: Data Centre Cloud Migration				
Bid: CBE4/2021: CBE Office Accommodation				
2022/2023 Operational/Implementation Plans: HR, Legal, Finance, ICT				
2022/2023 Appeal Committee: Appointment of Chairpersons and Members				
FHLC Terms of Reference				

Matters Considered by FHLC	Q1	Q2	Q3	Q4
Human Resources Report				
Appeals Outcomes and Rulings				
Contract and Commitment Register				
Compliance Report				
Settlement: Former CEO				

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

4.8.5 Built Environment Matters Committee

The mandate of BEMC is as follows:

- 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;
- Project champions are members of the BEMC allocated the role to promote specific APP targets;
- Receive reports and information required in terms of the APP on behalf of Council;
- Monitor and guide the CBE's Transformation Strategy;
- Monitor and guide the CBE's Stakeholder Management Strategy;
- 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;
- Monitor the execution of actions required of the CBE by the CBE EXCO/President's Forum; and
- Consider and recommend all CBE policies not considered by the FHLC to Council

BEMC Meetings

Date	Scheduled	Special	Purpose
13 May 2021			Q4 Reports
16 July 2021			Q1 Reports
7 October 2021			BEMC Planning Meeting
14 October 2021			Q2 Reports
19 November 2021			Continuation of Q2 Reports and Workshop
17 February 2022			Q3 Reports – postponed due to lack of quorum

Matters Recommended by BEMC	Q1	Q2	Q3	Q4
Separation of the Stakeholder Management, Marketing and Communications Committee (SMMCC)				
BEMC Terms of Reference				
SMMCC Terms of Reference				

Matters Considered by BEMC	Q1	Q2	Q3	Q4
IDoW Implementation and Monitoring; Publishing of Guideline Professional Fees and MoU with Competition Commission				
CBEP Quarterly Reports and Registrations				
Quarterly Performance Report / Dashboard				
Cuban Engineers				
Project Reports: Policy and Research, Skills, Transformation, Data Collection Feedback				
Advisory Reports: EPWP, Institutionalisation of FIPDM, Skills Throughput				
Economic Reconstruction and Recovery Plan				
Stakeholder Management, Marketing and Communications Report				
Transformation Collaborative Committees aligned to Operations				

Transformation Collaborative Committees Meetings held during 2021/2022

Procurement, Policy, Legislation and Socio-Economic Development TCC	Women Empowerment and Gender Equality TCC	Occupational Specific Dispensation TCC	Professional Skills and Capacity Development TCC	Health, Safety, Public Protection and Universal Access TCC
23 April 2021				
22 June 2021	-	-	-	-
29 June 2021	-	-	-	-
3 September 2021				
14 September 2021	16 September 2021	-	17 September 2021	14 September 2021
-		26 October 2021	1 October 2021	-
23 March 2022	-	-	-	-
30 March 2022	30 March 2022: Launch of Advice Desk	-	-	-

Table 39: Fifth Term Council – Committees Composition and Meetings

Council Committee	Number of Meetings Scheduled	Number of Meetings Held	Committee Membership	No of Members
EXCO	8	8	Dr SS Dlamini (Chairperson) (Appointed 20 January 2020) F Rabada ST Mthembu NE Hutamo K Naidoo (Resigned 30 September 2021)	4
ARC	5	6	P Stock (External Member) (Chairperson) LM Mangquku (External Member) Dr L Konar (External Member) ST Mthembu (Council Member) (Appointed 10 March 2021)	4
FHLC	4	5	Dr KI Jacobs (Chairperson) NE Hutamo (Deputy Chair) KEM Mogodi ST Mthembu Dr SS Dlamini U Exner (Resigned 13 January 2021) JL Margolius (Resigned 7 July 2021) HN Molao (Resigned 30 June 2021)	8

Council Committee	Number of Meetings Scheduled	Number of Meetings Held	Committee Membership	No of Members
BEMC	4	5	KEM Mogodi (Chairperson from 28 August 2021) H Ndlovu F Rabada Dr SS Dlamini WO Mothowamodimo ZY Makhathini (Chairperson) (Resigned 27 August 2021) Dr J Badul (Resigned 9 February 2022) Dr CH Deacon (Resigned 8 November 2021) GH Meyer (Resigned 23 February 2022) N Qina (Resigned 25 February 2022) K Naidoo (Resigned 30 September 2021) CV Gamede (Passed Away 1 August 2021)	5
COUNCIL	4	8	Dr SS Dlamini (Chairperson) (Appointed 20 January 2020) KEM Mogodi (Deputy-Chairperson) (Acting Chairperson 28 June 2019-19 January 2020) NE Hutamo Dr KI Jacobs ST Mthembu H Ndlovu WO Mothowamodimo A Latchu (Appointed 23 March 2022) DL Maraka (Appointed 23 March 2022) Dr J Badul (Resigned 9 February 2022) Dr P Dala (Resigned 4 January 2021) Dr CH Deacon (Resigned 8 November 2021) U Exner (Resigned 13 January 2021) ZY Makhathini (Resigned 27 August 2021) JL Margolius (Resigned 7 July 2021) GH Meyer (Resigned 23 February 2022) HN Molao (Resigned 30 June 2021) N Qina (Resigned 25 February 2022) K Naidoo (Resigned 30 September 2021) CV Gamede (Passed Away 1 August 2021) NV Fakude (Appointed 23 March 2022) (Declined Appointment 23 March 2022)	10

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, being public sector employees, do/did not qualify for remuneration for serving on the CBE Council:

1. H Ndlovu
2. NE Hutamo
3. Dr J Badul
4. WO Mothowamodimo
5. CV Gamede
6. ZM Makhathini
7. F Rabada

Council members receive an amount claimed for a day tariff and preparatory time, parking, travel, and toll fees. Council remuneration is detailed in the next two tables.

Table 40(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 40(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)	475	-	-	475
KEM Mogodi (Deputy Chairperson)(Acting Chairperson 28 June 2019-19 January 2020)	389	10	-	399
NE Hutamo	-	-	-	-
Dr KI Jacobs	219	4	-	223
WO Mothowamodimo (Appointed 20 January 2020)	-	-	-	-
ST Mthembu	175	4	-	179
H Ndlovu	-	-	-	-
F Rabada	-	-	-	-
A Latchu (Appointed 23 March 2022)	-	-	-	-
DL Maraka (Appointed 23 March 2022)	-	-	-	-
Resignations				
NV Fakude (Appointed 23 March 2022) (Declined Appointment 23 March 2022)	-	-	-	-
N Qina (Resigned 25 February 2022)	62	-	-	62
GH Meyer (Resigned 23 February 2022)	37	1	-	38
Dr J Badul (Resigned 9 February 2022)	-	-	-	-
Dr CH Deacon (Resigned 8 November 2021)	30	1	-	31
K Naidoo (Appointed 20 January 2020) (Resigned 30 September 2021)	68	2	-	70
ZY Makhathini (Resigned 27 August 2021)	-	-	-	-
CV Gamede (Appointed 20 January 2020) (Passed Away 1 August 2021)	-	-	-	-
JL Margolius (Resigned 7 July 2021)	16	-	-	16
HN Molao (Resigned 30 June 2021)	-	-	-	-
U Exner (Resigned 13 January 2021)	-	-	-	-
Dr P Dala (Resigned 4 January 2021)	-	-	-	-
Audit and Risk Committee				
P Stock (External Member)(Chairperson)	138	2	-	140
LM Mangquku (External Member)	100	2	-	102
Dr L Konar (External Member)	100	2	-	102

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 management's appetite for risk.

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, Rakoma and Associates Inc. regularly submitted written audit reports to the ARC meetings, based on the approved audit plan.

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

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

7. Internal Audit Function

CBE's internal auditors, Rakoma & Associates Inc. regularly submitted written 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. Information Technology
- ii. Legal Compliance Review
- iii. Quarter 1-4 review of performance information against objectives
- iv. Follow up on findings raised by AGSA and Internal Audit for Quarter 1-4
- v. Review of Annual Performance Report
- vi. Review of the Financial Statements
- vii. Review of the Internal Audit Charter
- viii. Accreditation – Skills Development
- ix. Fraud and Risk Management Review
- x. Human Resources Management
- xi. Supply Chain Management
- xii. Protection of Personal Information Act (POPIA) implementation review

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 findings recurring in future reports
- ii. Continue to perform quarterly reviews on Performance Information prior to the submission thereof of to DPWI. These reviews should continue to be performed close to the Audit and Risk Committee meeting at which the results are to be presented and within a short period
- iii. Annual review of the Financial Statements for GRAP compliance
- iv. Continue to perform an annual review of the draft Annual Performance Plan and the Strategic Plan before submission to the Executive Authority to ensure that indicators and outcomes are SMART and aligned to legislation
- v. Continue co-ordination between Internal and External Audits to enhance the benefits derived by management which outweigh the cost of the audits

The table below discloses relevant information on the ARC members.

Table 41: 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	6	8
LM Mangquku	CA	External	11 April 2019	10 April 2023	6	1
Dr L Konar	CA	External	11 April 2019	10 April 2023	6	1
ST Mthembu		Fifth Term Council Member	1 November 2018	31 October 2022	6	

8. Compliance with Legislation

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

Council adheres to an approved Delegation of Authority Framework. The framework was 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.

9. Fraud and Corruption

The CBE has an all-encompassing policy in the CBE Fraud Prevention Plan. The CBE utilises the service of Whistle Blowers to manage this function. This service provider conducted quarterly workshops with CBE staff to remind and sensitise them to fraud detection and prevention. The Whistle Blower service provider circulates the fraud incident reports to the Chairperson of Council, the ARC Chairperson and the Chief Executive Officer.

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.

11. Code of Conduct

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

12. Health, Safety and Environmental Issues

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

13. Company Secretary

The Fifth Term Council abolished the Company Secretary function and resolved to outsource the function when required.

14. Social Responsibility

Council resolved to establish a Social, Ethics and Governance Committee with external independent members. The terms of reference of the committee was compiled and approved by Council.

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.

15. B-BBEE Compliance

The following table has been completed in accordance with compliance to the Broad-Based Black Economic Empowerment (B-BBEE) requirements of the Broad-based Black Economic Empowerment Act (B-BBEE Act) (Act 53 of 2003), and as determined by the Department of Trade and Industry.

Table 42: B-BBEE Compliance

Has the department/public entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regard to the following:		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The CBE does not issue any licences/concessions or authorisations to allow economic activity in terms of any law. This would likely only apply to entities responsible for issuing trade licences or mining/exploration licences and the like.
Developing and implementing a preferential procurement policy?	No	The CBE is scoring maximum points on the empowerment of small businesses.
Determining qualification criteria for the sale of state-owned enterprises?	No	The CBE does not generally engage in such sales.
Developing criteria for entering into partnerships with the private sector?	No	The CBE currently does not have any public private partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	No	The award of grants, incentives and investments is not a core activity in the CBE, and it does not make material investments in this context.

The CBE achieved a non-compliant rating and has developed an action plan to monitor implementation.

16. Audit and Risk 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 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 ARC conducted the following activities which demonstrated its commitment to achieve its mandate:

- i. Reviewed quarterly management reports
- ii. Revised the 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. 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 43: ARC Meeting Attendance

Members	Date of Appointment	Number of ARC Meetings Attended
Ms P Stock (External Member)(Chairperson)	11 April 2019	6/6
Mr LM Mangquku (External Member)	11 April 2019	6/6
Dr L Konar (External Member)	11 April 2019	6/6
Ms ST Mthembu (Council Member)	1 November 2018	6/6

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 ICT control weaknesses. The internal and external auditors reported some deficiencies in the design and implementation of the system of internal control. The ARC 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. Information Technology
- ii. Legal Compliance Review
- iii. Quarter 1-4 review of performance information against objectives
- iv. Follow up on findings raised by AGSA and Internal Audit for Quarter 1-4
- v. Review of Annual Performance Report
- vi. Review of the Financial Statements
- vii. Review of the Internal Audit Charter
- viii. Accreditation – Skills Development
- ix. Fraud and Risk Management Review
- x. Human Resources Management
- xi. Supply Chain Management
- xii. POPIA Implementation Review

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

- a. Alignment of Project Scopes to the APP (to ensure targets were achieved) and proof of evidence in performance information showed improvement
- b. There was a need to improve Risk Management in some areas
- c. Management's action and remediation to findings raised should be more immediate
- d. 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. Council approved the appointment of Nexia SAB&T as the CBE's external auditor 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 with and accepts the opinion of the external auditor on the annual financial statements and conclusion on the annual performance report and compliance. The Audit and Risk Committee is of the opinion that the audited annual financial statements and annual performance report is accepted and read together with the report of the external auditors.



Ms Patricia Stock CA (SA)

Chairperson: Audit and Risk Committee

Date: 31 July 2022





PART D

HUMAN RESOURCE MANAGEMENT



1. Introduction

The Human Resources (HR) function provides professional service through reliable, fair, consistent as legislated. Most importantly is the value placed on human capital through attraction and retention of committed, best performing employees. To this end the CBE ensures financial and non-financial recognition through training and development, as well as pay progressions and performance rewards.

The Human Resources team supports Executive Management and departments to provide relevant advice and support. With the implementation of various policies and procedures, HR ensures adequate skilled and suitable capacity is maintained throughout the organisation. Below is an account detailing the department's priorities of the period of reporting.

HR Priorities and its Impact for the Year Under Review

The focus was on finalising the two projects which rolled over from the previous year viz.:

- i. Business Process Management - a review of high-level processes and developing a procedure manual
- ii. The implementation action plan of the revised organisational structure

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

The key strategic direction for the CBE has been set as transformation. The revised organisational structure focuses on ensuring that the CBE is capacitated to address the poor delivery and achievement of transformation targets.

Out of 37 newly created positions, 17 were prioritised for recruitment in the new financial year.

Suitable candidates were identified through a workplace skills audit, while the remaining positions will be recruited externally.

Employee Performance Management Framework

All employees signed and submitted their performance agreements by 30 April 2021.

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 for the 2020/21 performance cycle.

Employee Wellness Programmes

Awareness articles and the schedule of presentations is circulated regularly to staff. Due to lockdown levels of COVID-19, there were no face-to-face sessions during the reporting period.

Virtual sessions were held on COVID-19 vaccination information, work life balance and managing stress.

Achievements

Both annual performance targets were achieved. The Business Procedure Manual was revised and approved. The implementation action plan was approved in line with the revised organisational structure and implementation was initiated accordingly.

Challenges

Human Resources policies are revised annually to keep abreast with legislation updates and other identified gaps. Approval of revised policies was delayed due to the introduction of a different approach. The Accounting Authority introduced a system of vetting and workshopping policies under review before recommending and approving them. This exercise was not achieved by the year end.

Salary increments were implemented after extensive consultation with organised labour. The lengthy negotiation concluded after an extended exchange of financial/salary figures and supporting documentation with the trade union. The regulated salary adjustments, set for payment in April were only effected in December 2021. There were no increments for senior management levels.

The electronic performance management process was discontinued due to system inadequacies which could not be amicably resolved with the appointed service provider. The process has reverted to manual submissions.

The budget allocation remains a constraint for most areas such as training and development of employees.

Future HR Plans / Goals

Phased implementation of the recently revised organisational structure to support an optimum functioning organisation as part of the CBE's strategic objectives.

A development programme for identified staff who have been placed in new portfolios as per the revised organisational structure.

2. Human Resources Oversight Statistics

Table 44: Personnel Cost by 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	50 280	19 728	39.23%	26	759
Programme 2: Transformation	805	6 110	759.01%	6	1018
Programme 3: Skills and Capacity Development	2 064	3 165	153.34%	4	791
Programme 4: Research and Advisory	21	2067	9 842.86%	3	689
Programme 5: Regulation and Public Protection	616	-	-	-	-
TOTAL	53 786	31 070	57.89%	38	818

Table 45: Personnel Cost by 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	2.14%	3	222
TOTAL	31 070	100.0%	38	818

Table 46: 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	0.46%
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 47: 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: Transformation	6 110	3	0.04%	1	3
Programme 3: Skills and Capacity Development	3 165	0	0.00%	0	0
Programme 4: Research and Advisory	2 067	26	1.26%	2	13
Programme 5: Regulation and Public Protection	-	0	0.00%	0	0
TOTAL	31 070	172	0.55%	10	17

The training expenditure reflected in the above table represents educational assistance in tuition fees, books, professional membership subscriptions, and bursaries.

Table 48: Employment and Vacancies per Programme

Programme/Activity/ Objective	2020/21 No of Employees	2021/22 Approved Posts	2021/22 No of Employees	2021/22 Vacancies	% Vacancies
Programme 1: Administration	24	25	23	2	8.00%
Programme 2: Transformation	2	2	2	0	0.00%
Programme 3: Skills and Capacity Development	5	5	5	0	0.00%
Programme 4: Research and Advisory	2	4	2	2	100.00%
Programme 5: Regulation and Public Protection	2	3	2	1	50.00%
TOTAL	35	39	34	5	12.82%

Table 49: Employment and Vacancies per Level

Level	2020/21 No of Employees	2021/22 Approved Posts	2021/22 No of Employees	2021/22 Vacancies	% Vacancies
Top Management	3	3	3	0	0.00%
Senior Management	8	8	7	1	14.29%
Professional Qualified	6	13	12	1	8.33%
Skilled	6	7	5	2	40.00%
Semi-skilled	10	6	5	1	20.00%
Unskilled	2	2	2	0	0.0%
TOTAL	35	39	34	5	12.82%

Table 50: Vacancies

Position	Department	Status / Way Forward
1. Senior Researcher	Research and Policy	The post remained vacant and on hold pending implementation of the revised organisational structure.
2. Strategic Planning, Monitoring and Evaluation Officer	Strategic Planning, Monitoring and Evaluation	Position is currently undertaken by a fixed- term appointment. Permanent recruitment is on hold pending the implementation of the revised organisational structure.
3. Paralegal	Regulations and Legal Services	Position became vacant in the middle of the year as the incumbent was promoted to Legal Compliance Specialist. The post remained vacant and on hold pending implementation of the revised organisational structure.
4. Senior IT Technician	Knowledge Management and IT	The post remained vacant and on hold pending implementation of the revised organisational structure.
5. Manager: Research and Policy	Research and Policy	The post became vacant due to promotion of the department manager to Chief Operations Officer. Filling this post is dependent on implementation of the revised organisational structure.

Employment Changes

Council revised the organogram to eliminate the position of Company Secretary. The role is currently fulfilled by the Committee Secretary.

Table 51: Employment Changes

Level	Employment: Beginning of 2021/22 FY	Appointments	Terminations	Employment: End of 2021/22 FY
Top Management	3	2	2	3
Senior Management	8	0	1	7
Professionally Qualified	12	0	0	12
Skilled	5	0	0	5
Semi-skilled	5	0	0	5
Unskilled	2	0	0	2
Total	35	2	3	34

Table 52: Reasons for Staff Leaving

Reason	Number	Percentage of Total Staff Leaving
Death	0	0.0%
Resignation	2	66.67%
Dismissal	0	0.0%
Retirement	0	0.0%
Ill health	0	0.0%
Expiry of contract	0	0.0%
Promotion/Upgrade	1	33.33%
Total	3	100.00%

Table 53: 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 54: 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	0	0	0
Skilled	1	1	0	0	0	1	0	0
Semi-skilled	2	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	9(81.8)	9(75.0)	0 (0.0)	1(8.0)	0(0.0)	1(8.0)	2 (18.2)	1 (8.8)

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	1	1	0
Senior Management	1	2	0	0	0	0	1	1
Professional Qualified	3	7	0	1	2	1	0	0
Skilled	3	4	0	1	0	1	1	1
Semi-skilled	6	3	1	0	0	0	1	1
Unskilled	2	2	0	0	0	0	0	0
TOTAL	16(70.8)	19(70.0)	1(4.2)	2(0.7)	2(8.3)	3(0.10)	4 (16.7)	3(0.10)

Level	Persons with Disabilities			
	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	1
Unskilled	0	0	0	0
TOTAL	0	0	0	1

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



PART E

FINANCIAL MANAGEMENT



Index

The reports and statements set out below, except the Accounting Authority's Responsibilities and Approval, comprise the annual financial statements presented to Parliament:

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

Report on the audit of the financial statements

Opinion

1. We have audited the financial statements of the Council for the Built Environment set out on pages 149 to 195, which comprise the statement of financial position as at 31 March 2022, 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 2022, 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 Council's ability to continue as a going concern, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the Council or to cease operations, or has no realistic alternatives 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 materials 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 Council. We have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Our procedures do not examine whether the actions taken by the Council enabled service delivery. Our procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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 Council for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 3 – Skills and Capacity Development	60 – 69

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 the matter.

Achievement of planned targets

16. Refer to the annual performance report for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement 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 Council'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 Council'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. There is currently an on-going assessment being conducted by the entity's legal representatives relating to a legal case between the entity and a former CEO. The matter involves assessing the decision to enter into a settlement agreement with the former CEO.
26. An independent consultant is investigating the following allegation. The investigation is still ongoing at the date of this report:
 - An investigation into allegations of misconduct by former key personnel and former Council members.
27. Two cases related to non-compliance with the competitive bidding threshold in the Supply Chain Management Unit relating to prior periods are being investigated by the SAPS. The investigations by the SAPS are still ongoing at the time of this report.
28. 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

29. In terms of the IRBA rule published in Government gazette number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of the Council for the Built Environment for 3 years.

Nexia SAB&T

Nexia SAB&T

Per: Caroline Chigora

Director

Registered Auditor

31 July 2022

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 Council'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 the Council 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.

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 granted 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 acknowledges 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; 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 2023 and, in light of this review and the current financial position, it is satisfied that the CBE has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

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 143.

The annual financial statements set out on pages 149 to 195, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2022 and were signed on its behalf by:



Dr S Dlamini

Chairperson: Council for the Built Environment

Statement of Financial Position as at 31 March 2022

Figures in Rand thousand	Note	2022	2021
Assets			
Current Assets			
Cash and cash equivalents	3	10 197	9 423
Other financial assets	4	-	2
Operating lease asset	5	96	-
Receivables from exchange transactions	6	152	340
Receivables from non-exchange transactions	7	943	147
		11 388	9 912
Non-Current Assets			
Other financial assets	4	52	97
Property, plant and equipment	8	2 449	3 414
Intangible assets	9	1 955	1 811
		4 456	5 322
Total Assets		15 844	15 234
Liabilities			
Current Liabilities			
Operating lease liability	5	-	1 646
Finance lease obligation	10	70	69
Payables from exchange transactions	11	4 637	4 586
Provisions	12	878	882
		5 585	7 183
Non-Current Liabilities			
Finance lease obligation	10	-	70
Accumulated surplus		10 259	7 981
Total Net Assets		10 259	7 981

Statement of Financial Performance

Figures in Rand thousand	Note	2022	2021
Revenue			
Revenue from exchange transactions			
Partnership funding revenue		-	440
Appeal fees		10	-
Insurance proceeds		40	290
Other income		191	-
Interest received - investment		584	481
Total revenue from exchange transactions		825	1 211
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies		53 528	48 813
Levies		1 711	2 075
Total revenue from non-exchange transactions		55 239	50 888
Total revenue	13	56 064	52 099
Expenditure			
Employee costs	14	(32 599)	(31 487)
Governance Committees' remuneration	15	(2 186)	(2 631)
Depreciation and amortisation	16	(2 385)	(1 921)
Impairments of financial instruments		(48)	-
Finance costs	17	(39)	(51)
Lease rental on operating lease	18	(5 753)	(5 849)
Bad debts written off		(120)	-
Auditor's remuneration		(1 297)	(1 156)
Loss on disposal of assets and liabilities		(138)	(14)
General expenses	19	(4 083)	(5 311)
Computer expenses		(729)	(742)
Consulting and professional fees		(1 644)	(1 275)
Internal audit fees		(1 234)	(577)
Mentor fees		(897)	(803)
Travel - local		(634)	(451)
Total expenditure		(53 786)	(52 268)
Surplus (deficit) for the year		2 278	(169)

Statement of Changes in Net Assets

Figures in Rand thousand	Accumulated surplus	Total net assets
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 01 April 2021	7 981	7 981
Changes in net assets		
Surplus for the year	2 278	2 278
Total changes	2 278	2 278
Balance at 31 March 2022	10 259	10 259

Cash Flow Statement

Figures in Rand thousand	Note	2022	2021
Cash flows from operating activities			
Receipts			
Cash receipts from customers		1 134	3 718
Grants		53 528	48 813
Interest income		577	470
Other cash items	27	10	29
		55 249	53 030
Payments			
Payments to employees and suppliers		(52 688)	(48 180)
Finance costs		(39)	(35)
		(52 727)	(48 215)
Net cash flows from operating activities	20	2 522	4 815
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(565)	(404)
Purchase of other intangible assets	9	(1 097)	(589)
Receipts from financial assets		5	6
Net cash flows utilised in investing activities		(1 657)	(987)
Cash flows from financing activities			
Finance lease payments		(91)	(93)
Net increase/(decrease) in cash and cash equivalents		774	3 735
Cash and cash equivalents at the beginning of the year		9 423	5 688
Cash and cash equivalents at the end of the year	3	10 197	9 423

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	-	-	-	220	220	31.1
Other income	535	(534)	1	10	9	
Interest received	927	(374)	553	577	24	
Total revenue from exchange transactions	1 462	(908)	554	807	253	

Revenue from non-exchange transactions

Transfer revenue

Government grants and subsidies	53 528	-	53 528	53 528	-	
Levies	2 308	-	2 308	914	(1 394)	31.2
Total revenue from non-exchange transactions	55 836	-	55 836	54 442	(1 394)	

Total revenue	57 298	(908)	56 390	55 249	(1 141)	
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Expenditure

Employee costs	(34 045)	(1 200)	(35 245)	(33 017)	2 228	31.3
General expenses	(23 253)	2 108	(21 145)	(19 710)	1 435	31.4
Total expenditure	(57 298)	908	(56 390)	(52 727)	3 663	
Operating surplus	-	-	-	2 522	2 522	

Statement of Financial Position

Assets

Non-Current Assets

Property, plant and equipment	-	-	-	(565)	(565)	31.5
Intangible assets	-	-	-	(1 097)	(1 097)	31.6
Total Assets	-	-	-	(1 662)	(1 662)	

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.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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:

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.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

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 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 estimate is based on the industry norm. Depreciation is estimated on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the entity. The residual value of all other assets are estimated.

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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).

Accounting Policies

1.5 Property, plant and equipment (continued)

If the acquired item's fair value was not determinable, its 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 are 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.

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.

Accounting Policies

1.5 Property, plant and equipment (continued)

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 intangible asset is an identifiable, non-monetary asset without physical substance.

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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.

Accounting Policies

1.6 Intangible assets (continued)

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

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

Intangible assets are derecognised:

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

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

1.7 Financial instruments

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

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

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

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

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

The effective interest rate 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 or
- 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 or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity

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

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

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

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

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.

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: and 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.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

Accounting Policies

1.7 Financial instruments (continued)

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.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Cash and cash equivalents
Other financial assets
Trade and other receivables from exchange transactions
Trade and other receivables from non-exchange transactions

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

Accounting Policies

1.7 Financial instruments (continued)

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transaction	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

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 future cash flows, an entity considers both the amount and timing of cash flows 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.

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 or
- 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 and
 - recognises separately any rights and obligations created or retained in the transfer

Accounting Policies

1.8 Statutory receivables (continued)

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 return on the remaining balance of the liability.

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a 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

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.

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.

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Recoverable amount of an asset or a cash-generating unit is the higher of 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 it is a requirement in the Standard of GRAP.

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

Reversal of impairment loss

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

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

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

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

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

1.11 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

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 considered in exchange for service rendered by employees.

Accounting Policies

1.11 Employee benefits (continued)

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social 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 aid, 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 it 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.

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 the 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.

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, the entity recognises the obligation at the higher of:

Accounting Policies

1.12 Provisions and contingencies (continued)

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

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 or similar distributions is recognised when:

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

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

1.14 Revenue from non-exchange transactions

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

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, the 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.

Accounting Policies

1.14. Revenue from non-exchange transactions (continued)

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.

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by the 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):

Accounting Policies

1.17 Irregular expenditure (continued)

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.

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 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 2021/04/01 to 2022/03/31.

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.

Accounting Policies

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).

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:

- provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date)
- those that 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.

Accounting Policies

1.21 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, after consideration of the following:

- Contracted commitments should be disclosed, i.e. the entity and the supplier must have entered into a contract, at the reporting date and
- the disclosure is not limited to contracts that are non-cancellable or only cancellable at a significant cost to the entity

The commitments disclosed is the portion of the commitment that has not been received and not yet recorded in the financial statements as an accrual or payable.

Contracts which were finalised after the reporting date, but where the process started before the reporting date, will not be disclosed as commitments at reporting date. If there were material contracts entered into after reporting date, but before approval of the financial statements, these contracts will be considered in accordance with events after the reporting date and disclosed accordingly.

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 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (amended): Employee benefits	Not yet determined	Unlikely there will be a material impact
• Guideline: Guideline on Accounting for Landfill Sites	Not yet determined	No impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	Not yet determined	No impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	Not yet determined	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	Not yet determined	Unlikely there will be a material impact
• Improvements to the Standards of GRAP	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2025	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	14	15
Bank balances	2 101	1 129
Short-term deposits	5 812	6 065
Other secured cash and cash equivalents	2 270	2 214
	10 197	9 423

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. The process to extend the guarantee has been initiated, subsequent to year end.

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	10 197	9 423

4. Other financial assets

At amortised cost

DK Pitse

Due to financial difficulties the terms of the arrangement was renegotiated. The receivable is payable in monthly instalments of R500. Interest is payable at the prime lending rate of 10.5% at inception of the agreement.

Impairments

Non-current assets

At amortised cost

Current assets

At amortised cost

	100	99
	100	99
	(48)	-
	52	99
	52	97
	-	2

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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4. Other financial assets (continued)

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 2022, R - (2021: R 98 698) were past due but not impaired.

One month past due	-	99
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Financial assets at amortised cost impaired

As of 31 March 2022, other financial assets at amortised cost of R 48 266 (2021: R -) were impaired and provided for.

The amount of the provision was R 48 266 as of 31 March 2022 (2021: R).

The ageing of these loans is as follows.

Over six months	48	-
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Reconciliation of provision for impairment of financial assets at amortised cost

Other financial assets		
Provision for impairment	48	-

The creation and release of provision for impairment receivables have been included in operating expenses in surplus or deficit. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

None of the other financial assets have been pledged as security for any liability or contingent liability.

5. Operating lease asset/ liability

Current assets	96	-
Current liabilities	-	1 646
	(96)	1 646

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

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

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

The CBE lease was set to expire on 31 March 2022, however it was extended for a further six months up to 30 September 2022, while the award of the bid is finalised.

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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6. Receivables from exchange transactions

Trade receivables	152	340
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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 2022, R 120 000 (2021: R 340 000) were past due but not impaired.

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

Three months past due	-	340
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Trade and other receivables impaired

As of 31 March 2022, trade and other receivables of R 120 000 (2021: R -) were impaired and provided for.

The amount of the provision was R (120 000) as of 31 March 2022 (2021: R -).

The ageing of these loans is as follows:

Over six months	120	-
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Reconciliation of provision for impairment of trade and other receivables

Opening balance	-	(29)
Provision for impairment	120	-
Amounts written off as uncollectible	-	29
	120	-

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	2022	2021
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7. Receivables from non-exchange transactions

Levies	938	142
Other receivables from non-exchange revenue	5	5
	943	147

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

Fees charged in terms of legislation	938	142
Financial asset receivables included in receivables from non-exchange transactions above	5	5
	943	147

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 charging of membership fees and the submission of an annual declaration to the CBE for all registered Built Environment officials.

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

Determination of transaction amount

The annual 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 2022, R - (2021: R 141 813) 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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Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	-	(1)
Amounts written off as uncollectible	-	1
	-	-

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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8. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	2 448	(1 442)	1 006	2 447	(1 249)	1 198
Office equipment	1 462	(1 121)	341	1 455	(966)	489
IT equipment	3 451	(2 366)	1 085	3 308	(2 283)	1 025
Leasehold improvements	3 313	(3 305)	8	3 313	(2 639)	674
Signage	39	(30)	9	103	(75)	28
Total	10 713	(8 264)	2 449	10 626	(7 212)	3 414

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 198	1	-	(193)	1 006
Office equipment	489	6	-	(154)	341
IT equipment	1 025	589	(122)	(407)	1 085
Leasehold improvements	674	-	-	(666)	8
Signage	28	9	(16)	(12)	9
Total	3 414	605	(138)	(1 432)	2 449

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

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	57	125
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Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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9. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	3 224	(1 269)	1 955	2 683	(872)	1 811

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 811	1 097	(953)	1 955

Reconciliation of intangible assets - 2021

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

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.

10. Finance lease obligation

Minimum lease payments due

- within one year
- in second to fifth year inclusive

less: future finance charges

Present value of minimum lease payments

Present value of minimum lease payments due

- within one year
- in second to fifth year inclusive

Non-current liabilities

Current liabilities

	76	91
	-	76
	76	167
	(6)	(28)
	70	139
	70	69
	-	70
	70	139
	-	70
	70	69
	70	139

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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10. Finance lease obligation (continued)

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% (2021: 22%).

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 Note 7.

11. Payables from exchange transactions

Trade payables	836	1 635
Leave accrual	1 409	1 482
Accrued 13th cheque	269	215
Accrued expenses	2 123	1 254
	4 637	4 586

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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12. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Added during the year	Change in discount factor	Total
Bonus related provision	390	377	(476)	86	-	377
Provision for dismantling	226	-	-	-	16	242
Provision for general expenses	266	-	(7)	-	-	259
	882	377	(483)	86	16	878

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

During the current year, the CBE raised a provision for bonus payment in relation to performance bonus for the performance period 1 April 2021 to 31 March 2022. 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 2021/22 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 investigation services which were conducted, but that are currently being disputed, resulting in an uncertainty regarding the timing or amount of the expense.

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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13. Revenue

Partnership funding	-	440
Appeal fees	10	-
Insurance proceeds	40	290
Other income	191	-
Interest received	584	481
Government grants and subsidies	53 528	48 813
Levies	1 711	2 075
	56 064	52 099

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

Partnership funding	-	440
Appeal fees	10	-
Insurance proceeds	40	290
Other income	191	-
Interest received	584	481
	825	1 211

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

Transfer revenue		
Government grants and subsidies	53 528	48 813
Levies	1 711	2 075
	55 239	50 888

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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14. Employee related costs

Basic	27 628	25 918
Medical aid - company contributions	1 561	1 474
UIF	152	128
Defined contribution plans	3 345	3 466
Leave pay accrual charge	(74)	477
Bonus	(13)	24
	32 599	31 487

Remuneration of Chief Financial Officer (L Jansen van Vuuren)

Annual remuneration	1 440	1 228
Contributions to UIF, Medical and Pension Funds	4	4
Housing allowance	18	17
Subsistence and travel	61	232
Telephone allowance	9	9
	1 532	1 490

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.

Remuneration of former Chief Operations Officer (M Mongane)

Annual remuneration	357	1 204
Contributions to UIF, Medical and Pension Funds	35	179
Housing allowance	4	17
Subsistence and travel	22	78
Telephone allowance	2	9
	420	1 487

Included in personnel cost above is the former 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 was due to expire on 28 February 2023. The COO terminated his employment contract on 30 June 2021.

Notes to the Annual Financial Statements

Figures in Rand thousand

2022

2021

14. Employee related costs (continued)

Remuneration of former Chief Executive Officer (P Mdlalose)

Annual remuneration	468	1 386
Contributions to UIF, Medical and Pension Funds	78	304
Housing allowance	4	17
Telephone allowance	2	9
	552	1 716

Included in personnel cost above is the former 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 was received, effective from 30 June 2021.

Remuneration of Chief Operations Officer (N Mhlongo)

Annual remuneration	604	-
Contributions to UIF, Medical and Pension Funds	2	-
Housing allowance	8	-
Subsistence and travel	5	-
Telephone allowance	4	-
	623	-

Included in personnel cost above is the COO's remuneration, as itemised under Remuneration of the Chief Operations Officer. N Mhlongo was appointed on 1 November 2021 for a five year contract period, which will terminate on 31 October 2026.

Remuneration of Chief Executive Officer (M Myeza)

Annual remuneration	880	-
Contributions to UIF, Medical and Pension Funds	2	-
Housing allowance	8	-
Subsistence and travel	11	-
Telephone allowance	4	-
	905	-

Included in personnel cost above is the CEO's remuneration, as itemised under Remuneration of the Chief Executive Officer. M Myeza was appointed on 1 November 2021 for a five year contract period, which will terminate on 31 October 2026.

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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15. Governance Committees' remuneration

Non-executive

2022

	No of meetings	Claim for attendance	Other allowances	Total
Dlamini, Sitsabo Samuel (Chairperson)	111	475	-	475
Mogodi, Maphefo (Deputy Chairperson)	111	389	10	399
Badul, Jenitha	6	-	-	-
Deacon, Claire	6	30	1	31
Hutamo, Ngwako Edward	22	-	-	-
Jacobs, Keith Ivor	41	219	4	223
Makhathini, Zandile Yvonne	7	-	-	-
Margolius, Jerry Leigh	3	16	-	16
Meyer, Gert Hendrik	8	37	1	38
Mothowamodimo, Willie Ofentse	9	-	-	-
Mthembu, Sinenhlanhla Thuleleni	37	175	4	179
Naidoo, Karuni	16	68	2	70
Ndlovu, Hendrick	4	-	-	-
Qina, Noninzi	12	62	-	62
Rabada, Florence	16	-	-	-
Stock, Patricia (Independent Audit Committee member)	16	138	2	140
Mangquku, Luyanda Mansfield (Independent Audit Committee member)	8	100	2	102
Konar, Len (Independent Audit Committee member)	8	100	2	102
Raphela, Nchoke John (Independent Information Technology Steering Committee Chairperson)	26	61	-	61
Nkodweni, Ncedo (Independent PPL TCC Chairperson)	28	128	2	130
Kgole, Majute Paul (Independent OSD TCC Chairperson)	20	88	1	89
Ngobeni, James (Independent PSCD TCC Chairperson)	15	68	1	69
	530	2 154	32	2 186

Notes to the Annual Financial Statements

Figures in Rand thousand

2022

2021

15. Governance Committees' remuneration (continued)

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

Figures in Rand thousand	2022	2021
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15. Governance Committees' remuneration (continued)

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

- * Ms Molao, former Council member, resigned on 30 June 2021
- * Mr Margolius, former Council member, resigned on 7 July 2021
- * Mr Gamede, former Council member, passed away on 1 August 2021
- * Ms Makhathini, former Council member, resigned on 27 August 2021
- * Ms Naidoo, former Council member, resigned on 30 September 2021
- * Dr Deacon, former Council member, resigned on 8 November 2021
- * Dr Badul, former Council member, resigned on 9 February 2022
- * Mr Meyer, former Council member, resigned on 23 February 2022
- * Ms Qina, former Council member, resigned on 25 February 2022

Vacancies on the CBE Council was filled on 23 March 2022 as follow:

- * Mr Latchu, Council member
- * Ms Ditaba, Council member
- * Ms Nokubonga, Council member (declined appointment)

During the previous 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

16. Depreciation and amortisation

Property, plant and equipment	1 432	1 433
Intangible assets	953	488
	2 385	1 921

17. Finance costs

Finance leases	39	36
Other	-	15
	39	51

18. Lease rentals on operating lease

Premises		
Contractual amounts	5 753	5 849

The CBE extended its current lease agreement for a further six months. This has resulted in the CBE revising the smoothing of the lease.

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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19. General expenses

Advertising	751	138
Appeal committee fees	528	618
Assessment rates and municipal charges	235	221
Awareness and publication	104	243
Bank charges	87	59
CBE events	24	6
Catering	15	3
Cleaning	81	52
Conferences and seminars	2	-
Council support	12	2 075
Courier and postage	21	1
Project support expenses	199	-
Insurance	266	223
Intern stipend payments	-	(135)
Printing and stationery	3	-
Publishing	18	8
Repairs and maintenance	41	18
Staff welfare	38	97
Subscriptions and membership fees	62	72
Telephone and fax	433	529
Training	55	304
Uniforms	56	-
Utilities	1 052	779
	4 083	5 311

20. Cash generated from operations

Surplus (deficit)	2 278	(169)
Adjustments for:		
Depreciation and amortisation	2 385	1 921
Gain (loss) on sale of assets and liabilities	97	(247)
Finance costs - Finance leases	39	50
Interest income	(6)	(11)
Impairment of other financial asset	48	-
Bad debts	120	-
Movements in operating lease assets and accruals	(1 742)	(1 063)
Movements in provisions	(21)	(106)
Changes in working capital:		
Receivables from exchange transactions	68	3 225
Other receivables from non-exchange transactions	(796)	653
Payables from exchange transactions	52	562
	2 522	4 815

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
21. Commitments		
Authorised capital expenditure		
Approved not yet contracted		
• Intangible assets	1 807	676
Total capital commitments		
Approved not yet contracted	1 807	676
Authorised operational expenditure		
Approved and contracted		
• Internal audit fees	1 568	2 637
• Annual report printing	139	328
• Investigation	-	65
• IT support services	38	-
• Legal library	163	-
• Security	9	-
• Website and maintenance	170	262
• Revenue enhancement	-	21
• Organisational design	-	292
• IEBES maintenance	207	-
	2 294	3 605
Approved not yet contracted		
• Maths and Science Support Programme	-	100
• Promotional items	-	500
• Business Continuity	-	370
• Corporate video	-	45
• IEBES maintenance	-	495
	-	1 510
Total operational commitments		
Approved and contracted	2 294	3 605
Approved not yet contracted	-	1 510
	2 294	5 115
Total commitments		
Total commitments		
Authorised capital expenditure	1 807	676
Authorised operational expenditure	2 294	5 115
	4 101	5 791

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 statutory document printing, internal audit fees, intangible assets and IEBES support.

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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21. Commitments (continued)

Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	2 819	7 495

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 was set to expire on 31 March 2022, however it was extended up to 30 September 2022, while the award of the bid is finalised.

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.

The CBE entered into negotiations with a former employee. The dispute is likely to be settled at a cost amounting to R2 765 003.

In terms of section 53(3) of the PFMA, public entities listed in Schedule 3A and 3C may not retain cash surpluses that were realised in the previous financial year without prior written approval of National Treasury. During September 2020, National Treasury Instruction Note 12 of 2020/21, provided a revised definition of a surplus. According to this instruction, a surplus is based on cash and cash equivalents, plus receivables less current liabilities at the end of the financial year. National Treasury approved the utilisation of the surplus funds for the 2020/21 financial year. It is anticipated that National Treasury will approve the current year surplus funds for retention, and accordingly the surplus amount has been disclosed as a contingent liability rather than a liability.

National Treasury	5 855	2 728
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Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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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 Manguku 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 arm's 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	118	-
SACLAP	14	-
ECSA	642	-
SACPVP	68	-
SACPCMP	92	142
SACQSP	5	-
Grant received		
DPWI	53 528	48 813

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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23. Related parties (continued)

Levy income		
SACAP	414	408
SACLAP	14	15
ECSA	642	1 231
SACPVP	68	70
SACPCMP	428	219
SACQSP	145	133
Council support expense		
SACAP	-	408
SACLAP	-	15
ECSA	-	1 231
SACPVP	-	70
SACPCMP	-	219
SACQSP	12	133

CBE shares its office accommodation with SACLAP. SACLAP does not pay for this service. The estimated saving on SACLAP's administrative budget amounted to R173 526 (2021: R152 305).

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

Shared ICT services		
Agreement SA	-	4

Key management information

Class	Description	Number
Non-executive board members (Refer to Note 15)	Council members	8
Audit and Risk 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

Figures in Rand thousand	2022	2021
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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 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables from exchange	4 637	-	-	-
Finance lease obligation	76	-	-	-

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	4 586	-	-	-
Finance lease obligation	91	76	-	-

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 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	2022	2021
Receivables	1 095	487
Cash and cash equivalents	10 197	9 423
Other financial assets	52	99

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	2022	2021
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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

The CBE lodged a claim with their employment benefits service provider for a temporarily incapacitated employee. The claim was lodged on 30 March 2022 and finalised on 17 May 2022.

During the current financial year, the CBE negotiated a labour dispute with a former employee. An assessment was made by a labour law attorney of the matter being negotiated. During an EXCO (Council) meeting held on 30 May 2022, EXCO (Council) resolved that the settlement negotiation be temporarily suspended while the opinion is assessed.

On 2 June 2022, the Minister appointed six members of Council. The first meeting and induction was held on 13 June 2022.

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
Sundry receipts	10	1
	10	29

28. Fruitless and wasteful expenditure

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

29. Irregular expenditure

Opening balance as previously reported	11 536	11 536
Opening balance	11 536	11 536
Less: Irregular Expenditure condoned	(8 164)	-
Less: Amount found per determination not to be irregular	(28)	-
Add: Additional Irregular expenditure identified through determination finalised	86	-
Closing balance	3 430	11 536

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.

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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29. Irregular expenditure (continued)

National Treasury condoned irregular expenditure to the amount of R8,164,289.55 on 5 May 2021.

The determination process was finalised for four sole source deviations, amounting to R129,398. It was determined that expenditure to the value of R27 727.93 was not irregular. 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 2020/21 financial year (recognised as an adjusting event in the 2019/20 financial year) amounting to R2 785 768. The determination assessment was finalised and it identified further irregular expenditure to the value of R86 361.97. A final report has been issued in this regard and disciplinary measures are underway.

Irregular under determination

There currently are no instances of irregular expenditure under determination.

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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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 30 to 93). 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.

Notes to the Annual Financial Statements

Figures in Rand thousand	2022	2021
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31. Budget differences

Material differences between budget and actual amounts

31.1 Partnership funding

The variance is due to a delay in the receipts of expected prior year partnership funding. This resulted in more cash being received in the current year.

31.2 Levies

The variance is due to the 100% debt relief which was approved for the CBEP in the prior financial year. This resulted in less cash being received in the current year.

31.3 Employee cost

The variance is attributable to the former CEO's settlement which was budgeted for but not yet paid.

31.4 General expenses

The variance is mainly attributable to the delayed approval of the Datacentre Cloud Migration bid.

31.5 Property, plant and equipment additions

The variance is due to the purchase of laptops which was budgeted for as part of operational expenditure.

31.6 Intangible asset additions

The intangible asset variance is due to the purchase of software with approved surplus funds.

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 2021/04/01 to 2022/03/31. The annual financial statements differ from the budget, which is approved on the cash basis and which deals 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.

32. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE (Broad-Based Black Economic Empowerment) Compliance Performance Information.



PART F

COUNCILS FOR THE
BUILT ENVIRONMENT
PROFESSIONS



1. Introduction

This section outlines the activities undertaken by the Councils for the Built Environment Professions (CBEP) for the 2021/22 financial year, submitted to the CBE at the end of March 2022. 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 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.

While the work of engineers, architects, project and construction managers, quantity surveyors, landscape architects and property valuers take place largely in the background, its impact and importance are visible all around us.

Built Environment Professionals have the knowledge to plan, design, assess, supervise, build, and maintain South Africa's infrastructure. They are involved from the design concept, through to implementation and construction, ongoing operation, property valuation, landscaping, and maintenance, to decommissioning. Together, their work serves to plan and develop the best infrastructure for the South African public. Overall, Built Environment Professionals' know-how can help government, municipalities and infrastructure owners prioritise and assess projects and programmes to maintain a high standard of infrastructure in South Africa, and ultimately protect the safety, health, and economic prosperity of all its citizens.

2. Legislative and Regulatory Framework of the Built Environment Professions

The respective professions Acts empower the CBEP to perform the following functions as part of their regulatory function:

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

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

- i. entry to the professions by trained persons
- ii. a mechanism for establishing and enforcing standards of training and practice
- iii. an avenue for consumers to address complaints against practitioners

3. Human Resource Development

3.1 Registration

This function aims to monitor the extent to which the CBEP are transforming to reflect the South African population demographics through:

- i. analysing the demographics of individuals currently registered with the CBEP
- ii. assessing the demographics of candidates and professionals of the CBEP who will hopefully take up the profession
- iii. identifying potential bottle necks and recommending ways to improve accessibility of these professions to all who reside in the country

REGISTERED PROFESSIONALS

Overall Percentage of Registered Candidates and Professionals in the six CBEP

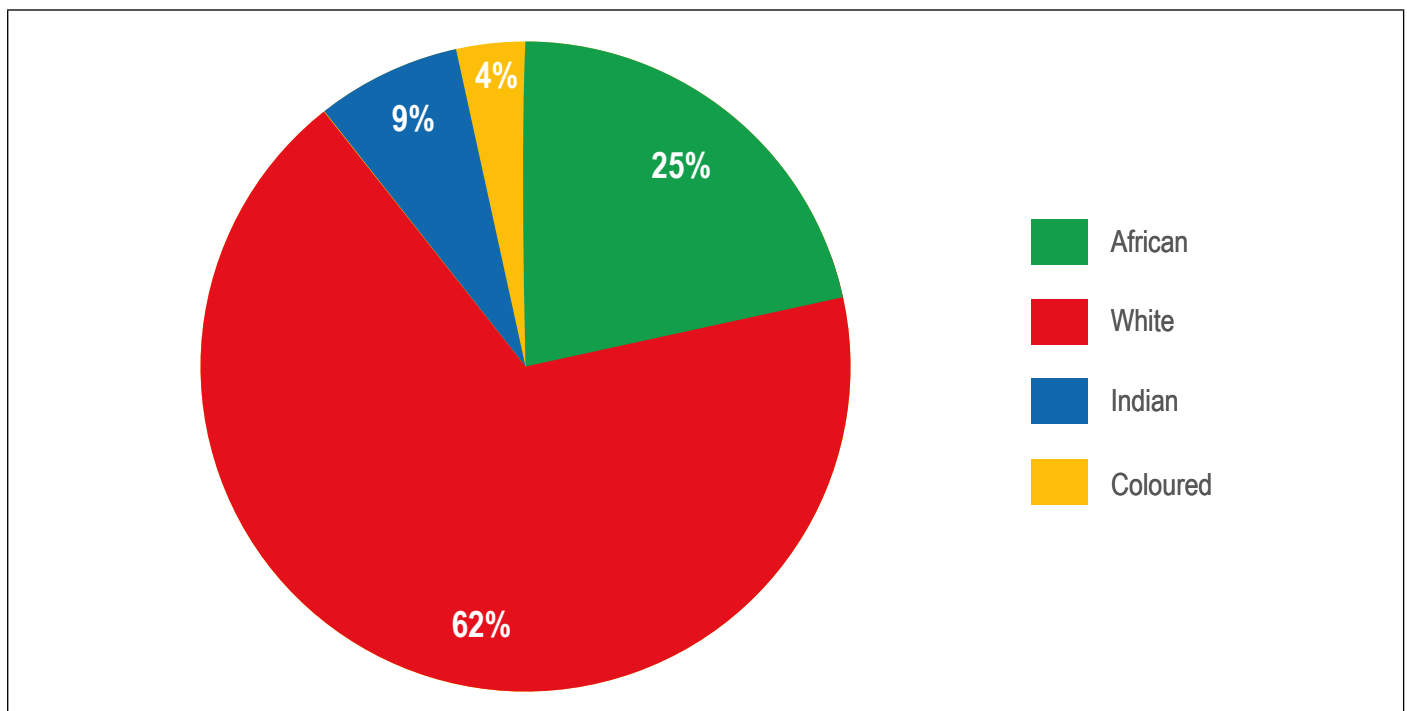
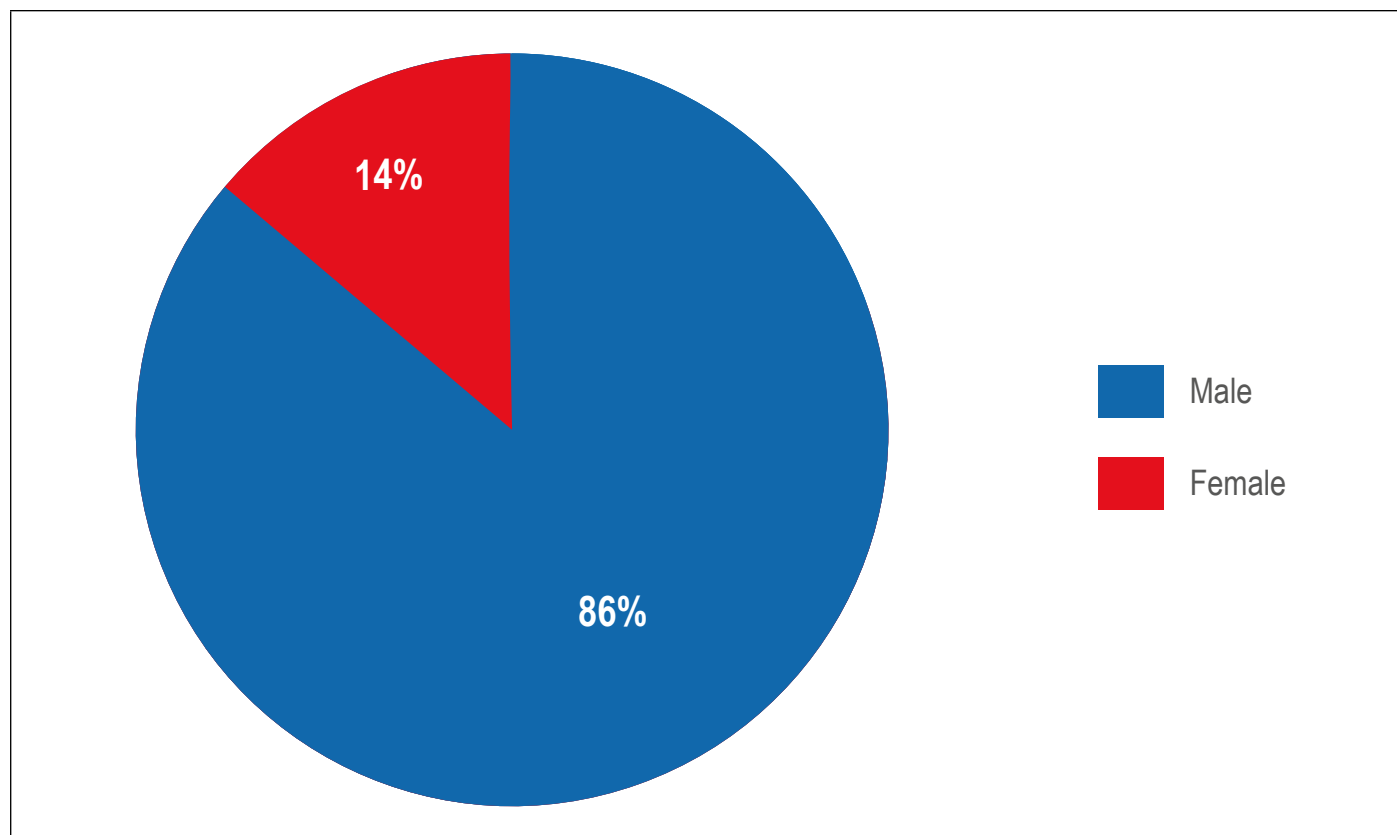


Figure 5: CBEP Race Profile

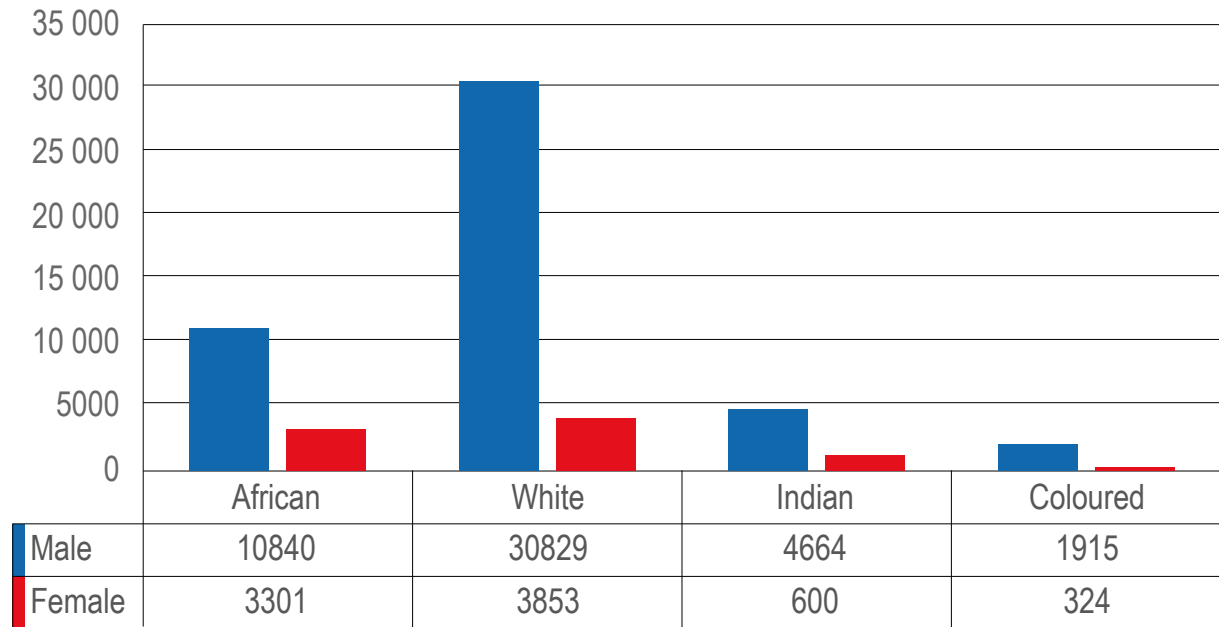
(Source: CBEP Fourth Quarter Report 2021/22)

The 2021/22 CBEP racial profile indicates that the professional councils are still dominated by the white population demographic. Although registration numbers have been increasing, the industry is still failing to achieve racial and related economic transformation in almost all the six CBEP. The CBEP have a racial profile of 62% white professionals, while Africans, Indians and coloureds collectively accounted for the remaining 38%. Relative to the size of the African population, the group has the lowest representation of registered professionals. The CBEP can better understand and, therefore, protect public interest if they are representative of the race demographics of the Republic of South Africa.

Gender Profile of the six CBEP**Figure 6: CBEP Race Profile**

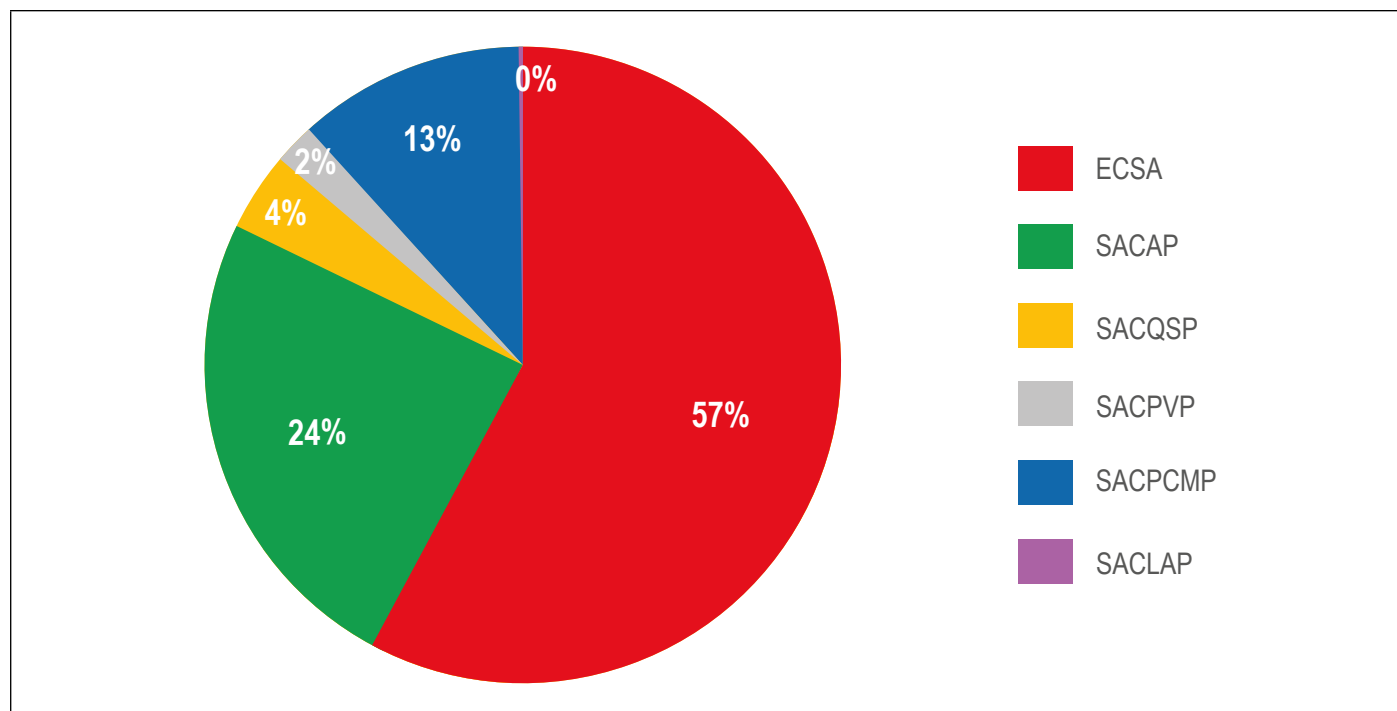
(Source: CBEP Fourth Quarter Report 2021/22)

This gender profile pie chart demonstrates that the CBEP membership is dominated by males, with 86% representation and only 14% female representation. According to Stats SA, women constitute more than half of South Africa's population, thus highlighting that they are significantly underrepresented in the Built Environment Professions. Transforming the built environment sector to redress this gender inequity will require the continuous implementation of mechanisms that offer females the correct assistance and support to ensure that their representation improves 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 2021/22)

The figure above indicates the number of professionals registered with the CBEP according to their gender and race. By the end of the 2021/22 financial year the CBEP had a total of 56326 (48248 males and 8078 females) registered professionals. This indicates a slight increase in registration trends, with an overall increase of 622 professional registrations when compared to the previous financial year. This figure illustrates that the CBEP professional membership is male dominated, with white males accounting for majority of the registered professionals. The statistics also reveal that the racial profile of the CBEP remains unbalanced with the Indian and coloured populations significantly underrepresented. Previously Disadvantaged Individuals (PDIs) only account for 38% of the registered professionals, while the white population has a representation of 62%. Previous findings also indicate that while the white population continues to dominate the CBEP professional membership, the majority of PDIs are struggling to migrate to professional status. This infers that in order to achieve a more racially balanced professional profile, it is necessary for the professional councils to offer more appropriate support to previously disadvantaged groups and individuals.

CBEP 2021/22 Composition**Figure 8: CBEP Composition**

(Source: CBEP Fourth Quarter Report 2021/22)

This pie chart on the CBEP composition illustrates the percentage distribution of professionals across the six CBEP by the end of the 2021/22 financial year.

1. ECSA 57%
2. SACAP 24%
3. SACPCMP 13%
4. The remaining three CBEP – SACLAP, SACPVP and SACQSP combined made up the remaining 6% of registered professions in the CBEP

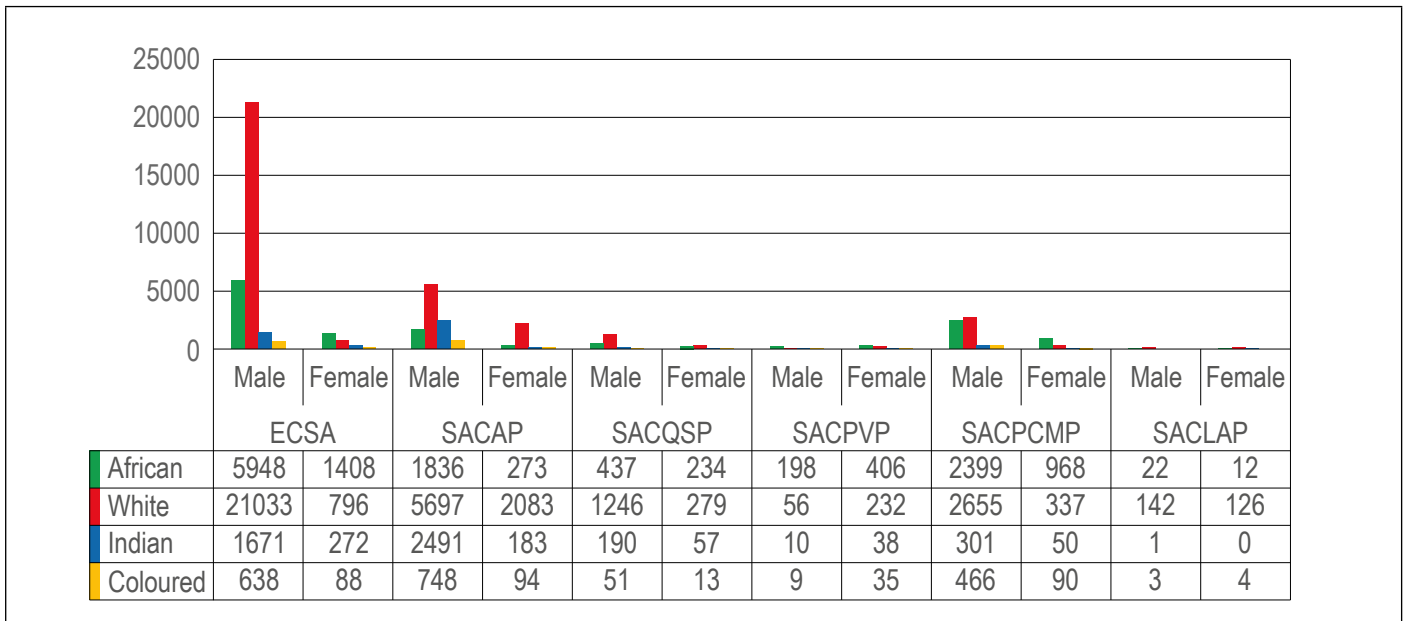


Figure 9: CBEP Comparison per Gender, Race and Profession

(Source: CBEP Fourth Quarter Report 2021/22)

The graph above compares the demographic composition of each of the professions by gender and race for the 2021/22 financial year. These figures mirror the demographics contained in Figure 7, alluding to white male dominance in the CBEP. It demonstrates the need to improve registration numbers of the other three population groups, to achieve a demographically balanced profile. The graph further exemplifies that the contribution of SACLAP, SACPVP and SACQSP 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 the numbers of registered professionals in these councils in a manner that promotes equality. The analysis, accordingly, infers the need to improve both the racial and gender profile of CBEP, in a manner that promotes equality.

Number of Registered Professionals by Council and Registration Category

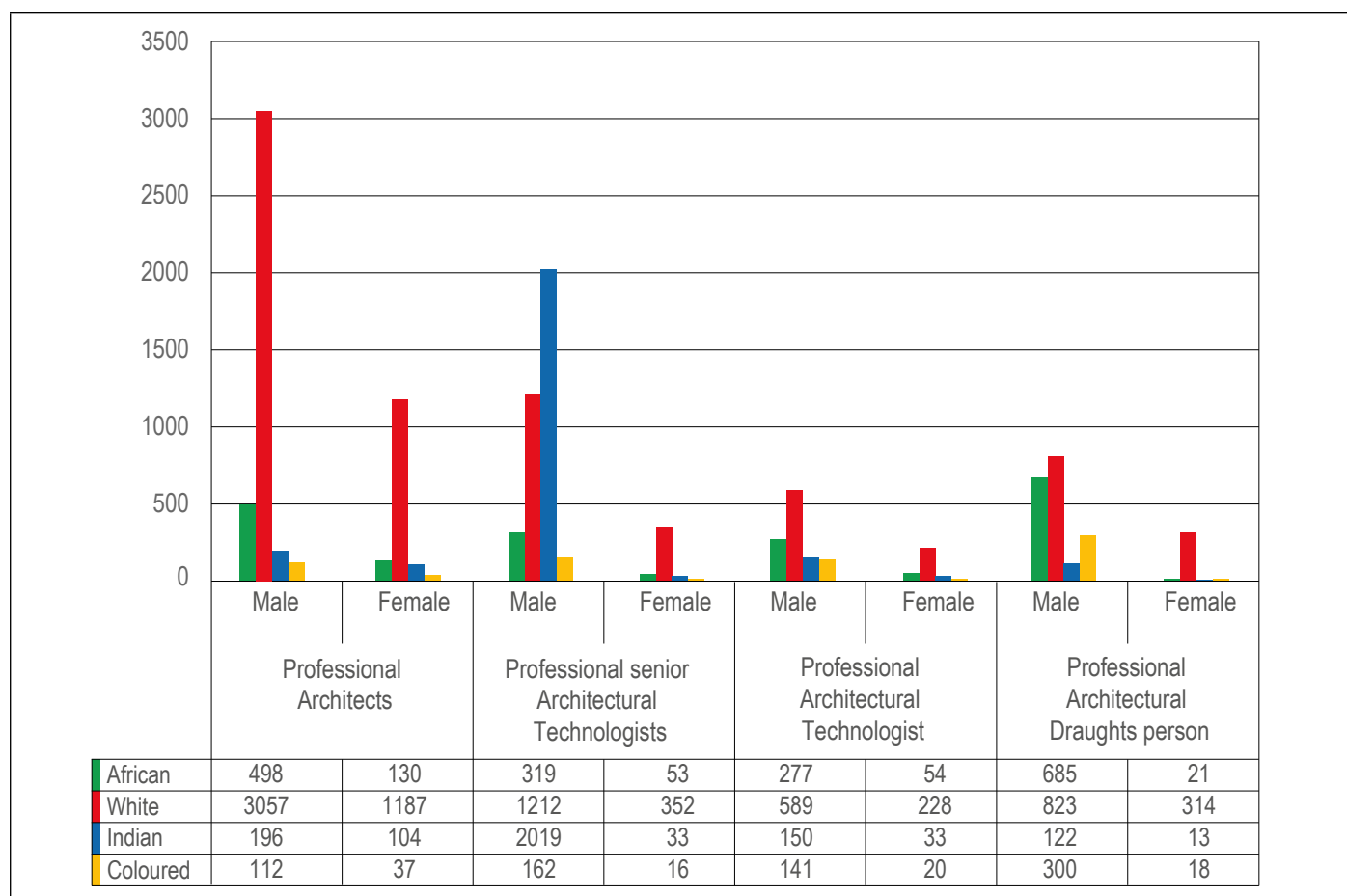


Figure 10: SACAP Professionals per Gender, Race and Discipline

(Source: SACAP Fourth Quarter Report 2021/22)

The professional registration statistics by SACAP provides that it had a total of 13275 registered professionals by the end of the 2021/22 financial year. SACAP further registered a total of 130 persons in specified categories, viz: 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.

The illustration reveals that SACAP's professional membership is dominated by the white population, with white males accounting for most of the registered professionals in all the identified SACAP categories. While the other demographic groups are present, their representation is minimal and does not reflect the South African population. The analysis, therefore, not only highlights the need to improve access to SACAP's membership by women, but also suggests the need to improve the racial profile of SACAP. Additionally, expediting the empowerment of women, youth and people with disabilities in the Built Environment sector are paramount to achieving transformation within the sector. SACAP's data provides that only 1% of the registered professionals are persons living with a disability, while women only accounted for 20% of the registered professionals. In addition, data on the nationality of the professionals registered with SACAP indicates that 89% of the registered persons are South African and 11% are Non-South African. SACAP's registration trends, therefore, remains the same, with gaps in the representation of women, young people and people living with disabilities.

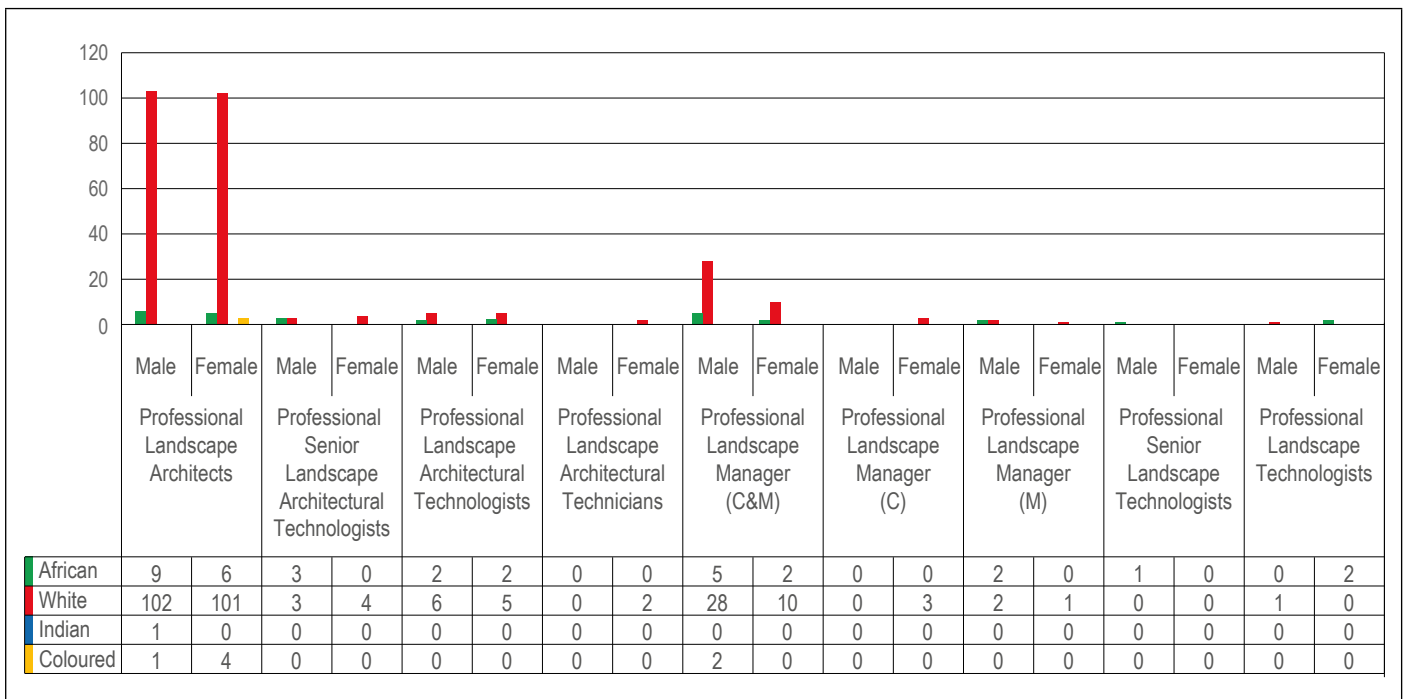


Figure 11: SACLAP Professionals per Gender, Race and Discipline

(Source: SACLAP Fourth Quarter Report 2021/22)

SACLAP's professional registration data indicates a total of 310 registered persons, recording an increase of 2% when compared with the previous financial year. The overall registration trends did not improve, so the racial and gender profiles of SACLAP remained relatively the same. The data alludes to white dominance across all the SACLAP recognised categories, with an overall 87% representation, while access to SACLAP's professional membership remains a challenge to other racial groups. Although males dominate SACLAP's professional membership with 54%, there is however progress in the number of registered females, with only an 8% difference when compared to the number of registered professional males.

The data also indicates that SACLAP's registered professionals are concentrated in the category of Landscape Architect and Landscape Manager, while the other seven categories have relatively low numbers of registered professionals. The analysis suggests that there is a need for SACLAP to identify, assess and address barriers to registration. In so doing SACLAP will be in a better position to ensure that their register grows.

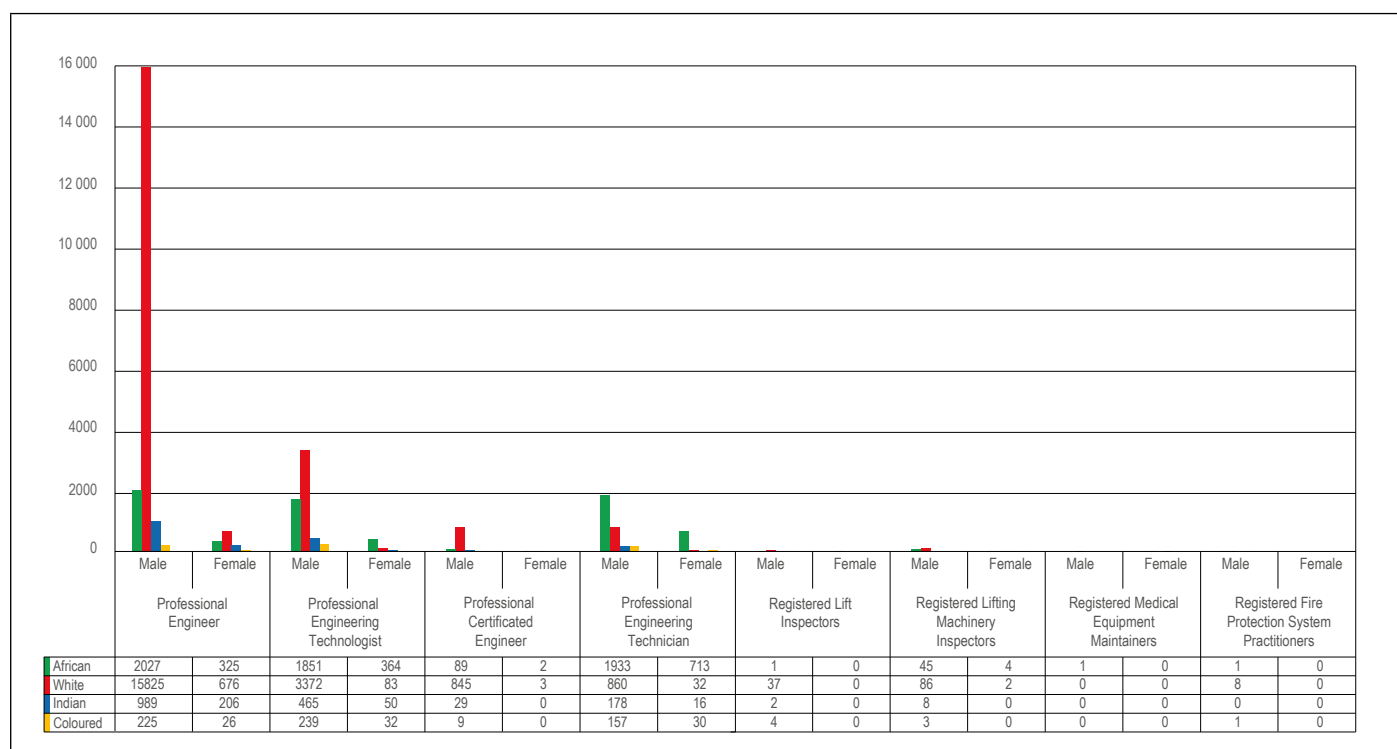
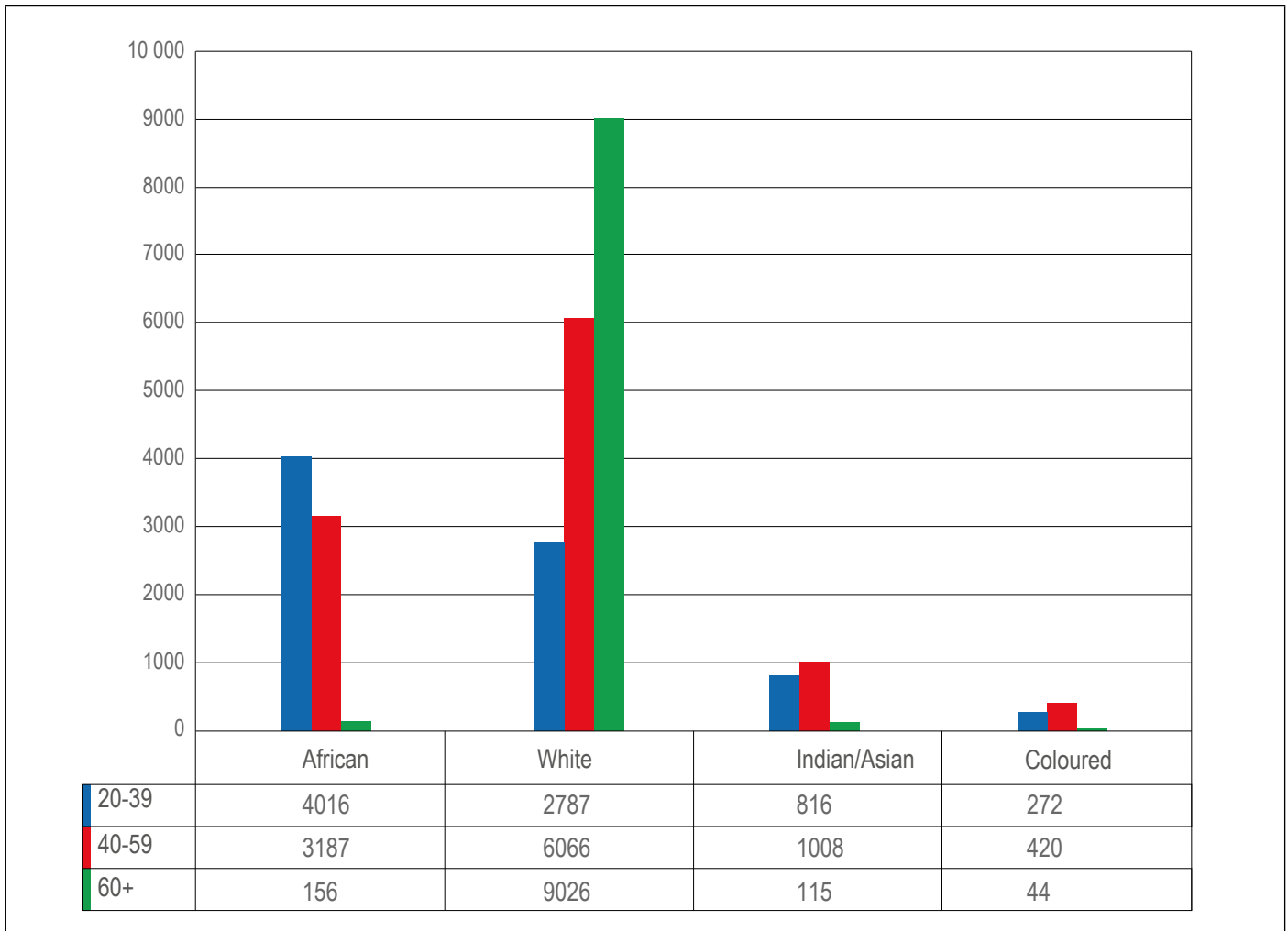


Figure 12: ECSA Professionals per Gender, Race and Discipline

(Source: ECSA Fourth Quarter Report 2021/22)

The graph above depicts that ECSA has the highest number of registered professionals compared to all the other CBEP. By the end of the 2021/22 financial year, ECSA had a total of 31 854 registered professionals, with a racial profile of 69% whites, 23% Africans, 6% Indians and 2% coloureds. The illustration also highlights a significant gap in the gender profile, with males accounting for 92% of the registered professionals. Evidently, the data provides that women are underrepresented in all the recognised categories within ECSA, particularly in the fields of Professional Certificated Engineers and Registered Lifting Machinery Inspectors. At the same time their representation is non-existent in the fields of Registered Lift Inspectors, Registered Medical Equipment Maintainers, and Registered Fire Protection System Practitioners. This, thus, alludes to the constant need to promote and ensure access to professional membership by women, coloured and Indian population groups. ECSA's professional registration data also points out the need to promote registration in the categories of Medical Equipment Maintainers and Fire Protection System Practitioners.



Age analysis of the persons registered in both the professional and specified categories provides that ECSA's membership is dominated by mid aged professionals (40-59), accounting for 38% of the registered persons, followed by senior aged persons (60-plus) accounting for 34%, while young people between the ages of 20-39 only constitute 28% of the registered professionals. The assessment infers that the Built Environment is facing a challenge of aging professionals, with young candidates finding it difficult to migrate to the professional level.

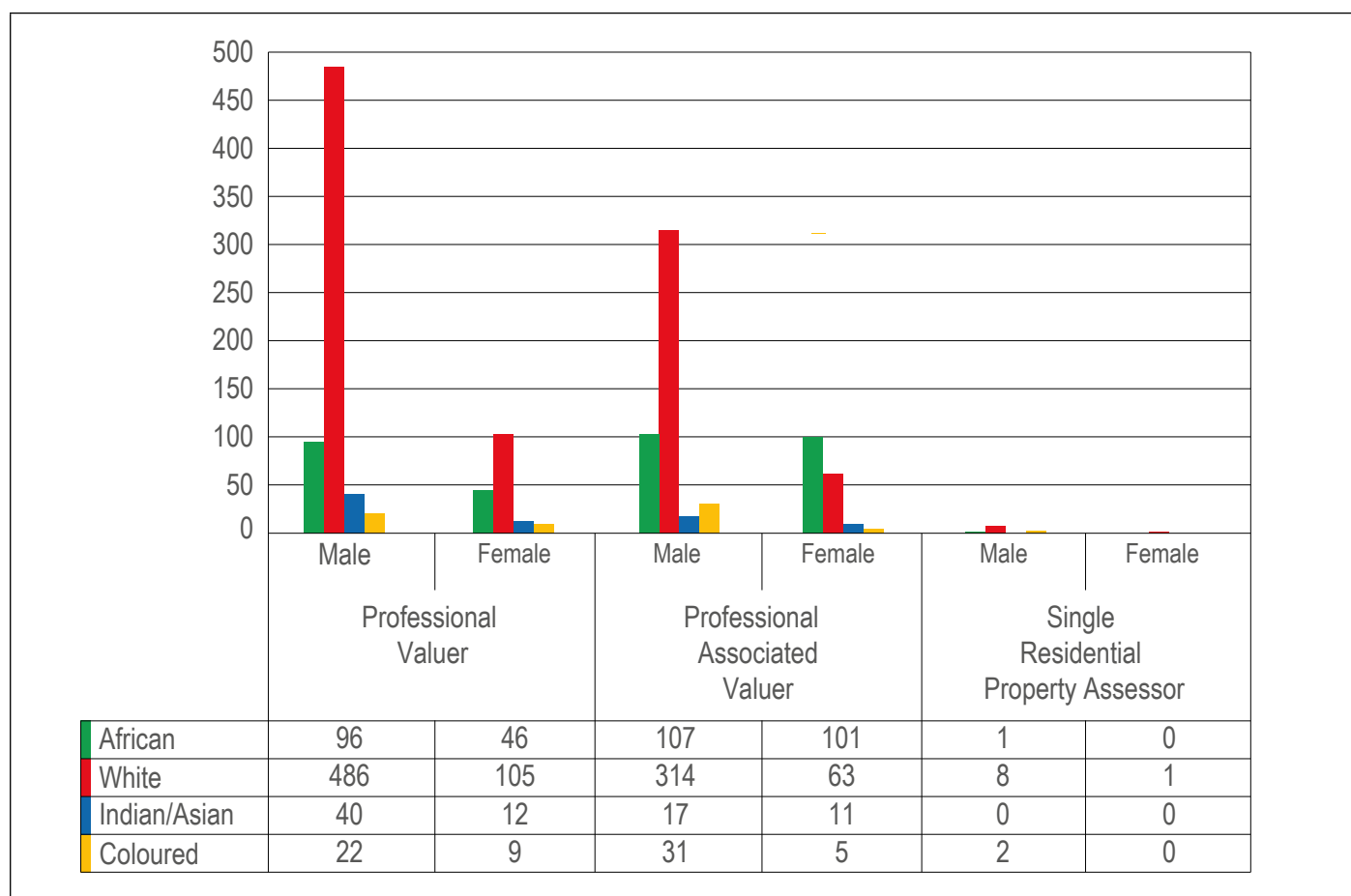
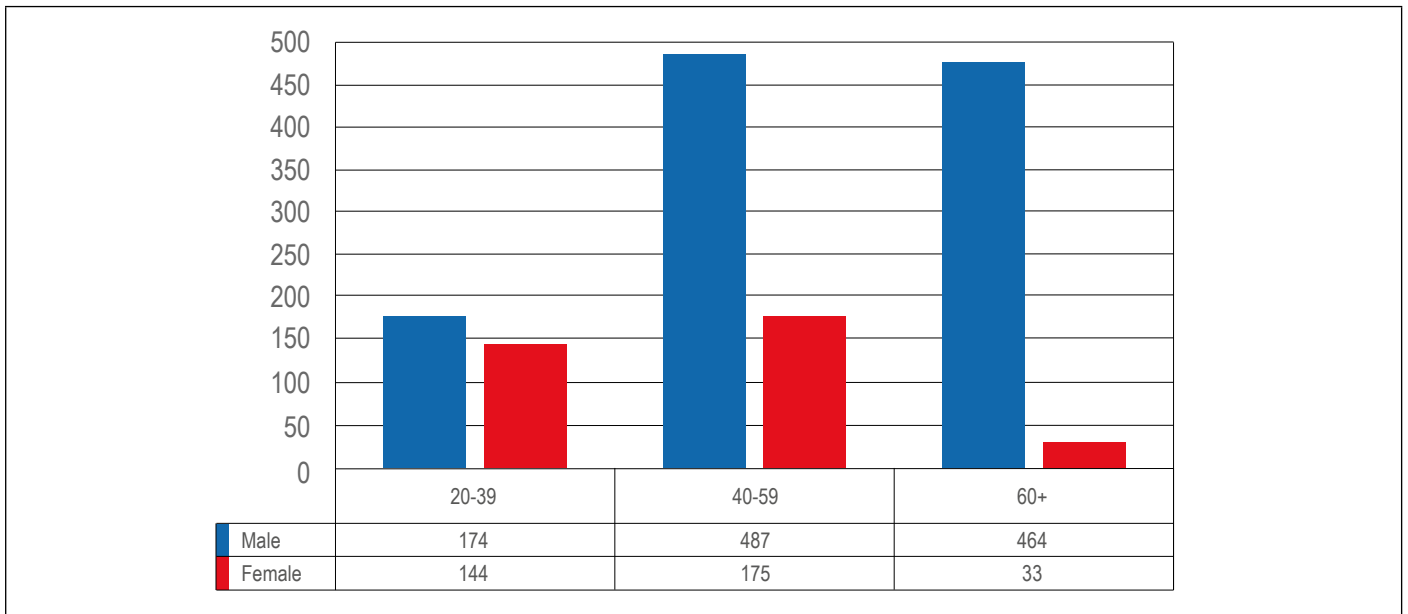


Figure 13: SACPVP Professionals per Gender, Race and Discipline

(Source: SACPVP Fourth Quarter Report 2021/22)

The illustration above provides that SACPVP had a total of 1477 registered professions by the end of the 2021/22 financial year. The analysis also reveals a huge gap in both the racial and gender profiles of SACPVP. As per the norm within all the professional councils, SACPVP professional membership is also male dominated, while the racial profile is dominated by the white minority, with 66% representation. In addition, white males continue to dominate SACPVP registration numbers across all the recognised disciplines, followed by African males. The 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 CBEP.



The review of SACPVP's professional registration data for the 2021/22 financial year alludes to the challenge of ageing professionals within SACPVP membership. Forty-five percent of SACPVP's registered professionals are between the ages of 40-59 years, while 34% are seniors (60+) and only 21% are young professionals between the ages of 20-39 years.

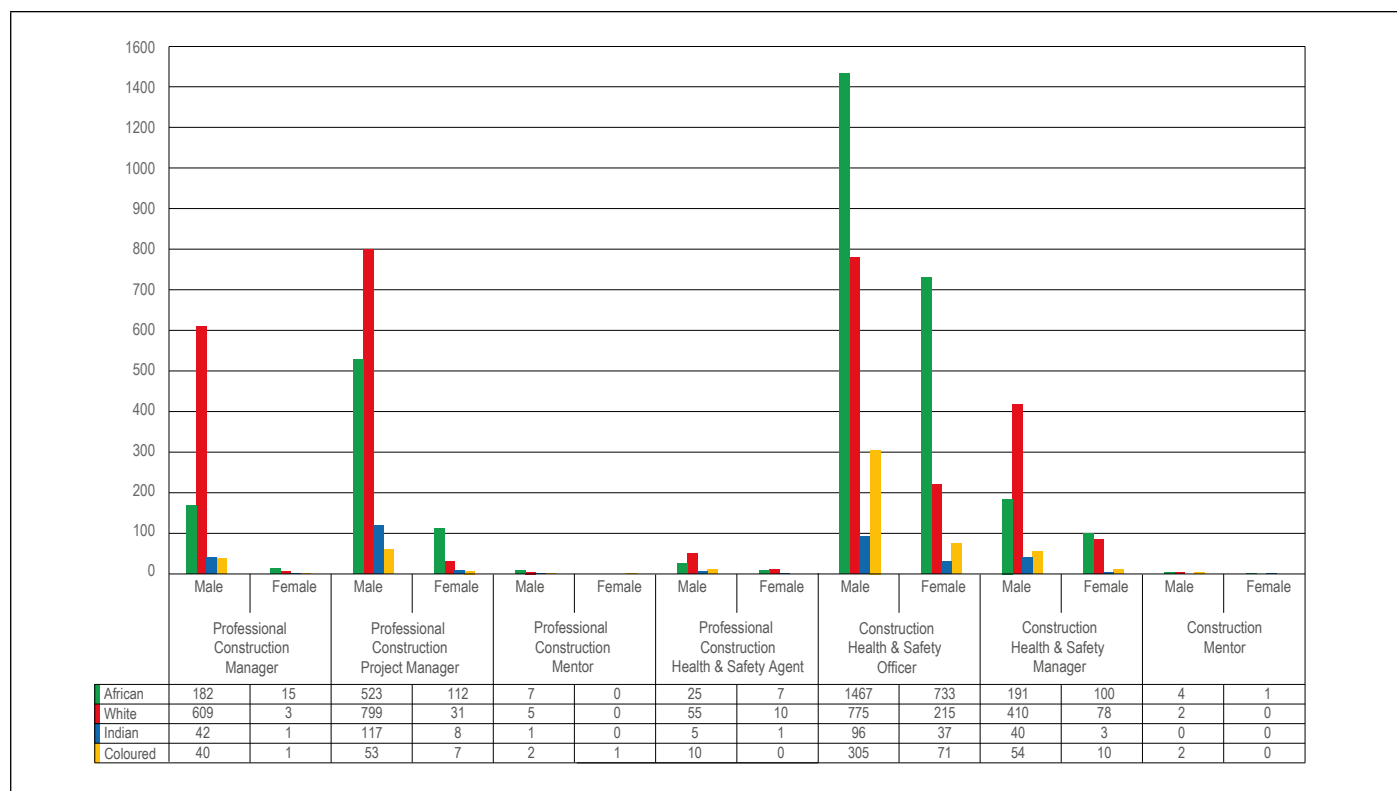
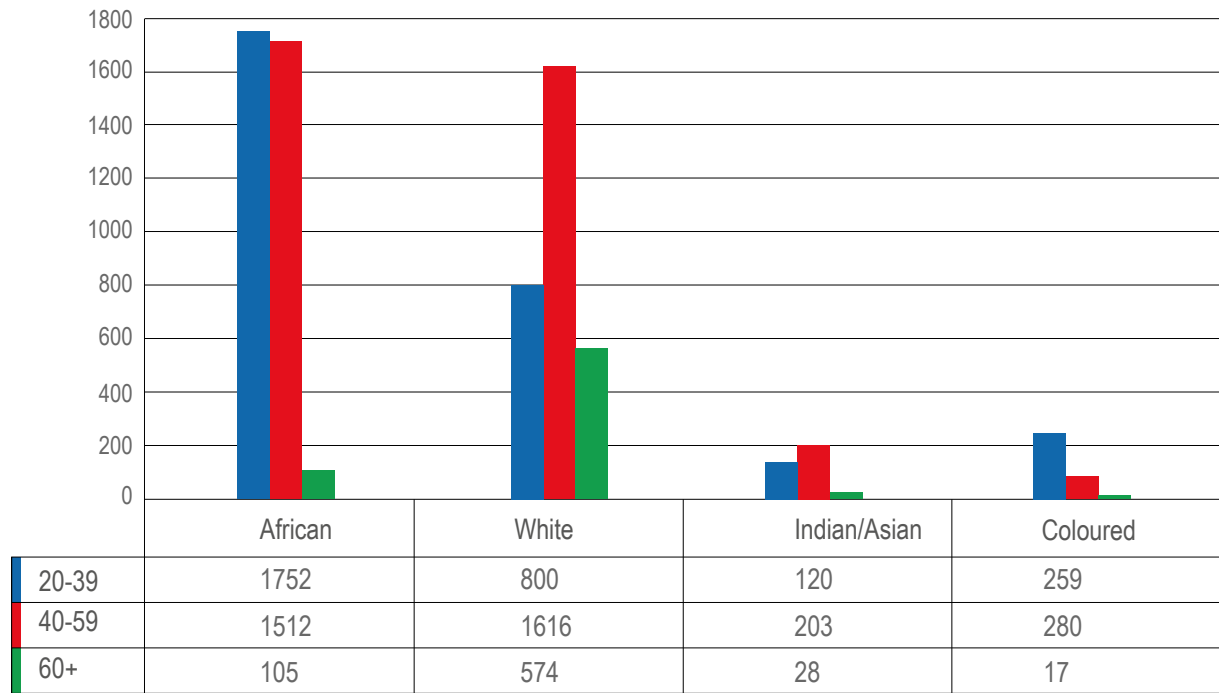


Figure 14: SACPCMP Professionals per Gender, Race and Discipline

(Source: SACPCMP Fourth Quarter Report 2021/22)

SACPCMP's financial year 2021/22 registration data reveals professional registration decreased by 4.06% when compared to the 2020/21 financial year. The registration data further indicates that there is significant improvement in SACPCMP's racial profile, with 46% representation of Africans and 41% white representation, while the Indian and coloured groups account for the remaining 13% combined. It further portrays that males, particularly white, dominate this profession. Female representation remains a challenge, with only 20% representation. The lowest female representation is in the categories of Construction Mentor, followed by Professional Construction Mentor, and Professional Construction Health and Safety Agent.

The overall registration trend improved to some extent, with a total of 109 new professional registrations and 647 for specialised categories. It is also worth noting that in addition to the improvement with regards to the registration trends, the racial profile of SACPCMP depicts a much more balanced representation, with Africans, Indians and coloureds constituting 59% of registered persons (RPs) in the professional and specialised categories.



The data reveals that SACPCMP's professional membership is dominated by mid aged professionals (40-59), accounting for 50% of the registered persons, followed by young professionals between the ages of 20-39 accounting for 40% and senior aged persons (60-plus) account for the remaining 10% of the registered professionals. According to the SACPCMP, the youth face serious challenges of migrating to professional status due to the lack of training or opportunities in the industry (learnerships and mentorship), and the process for candidates to migrate to professional registration is also identified as a contributing factor.

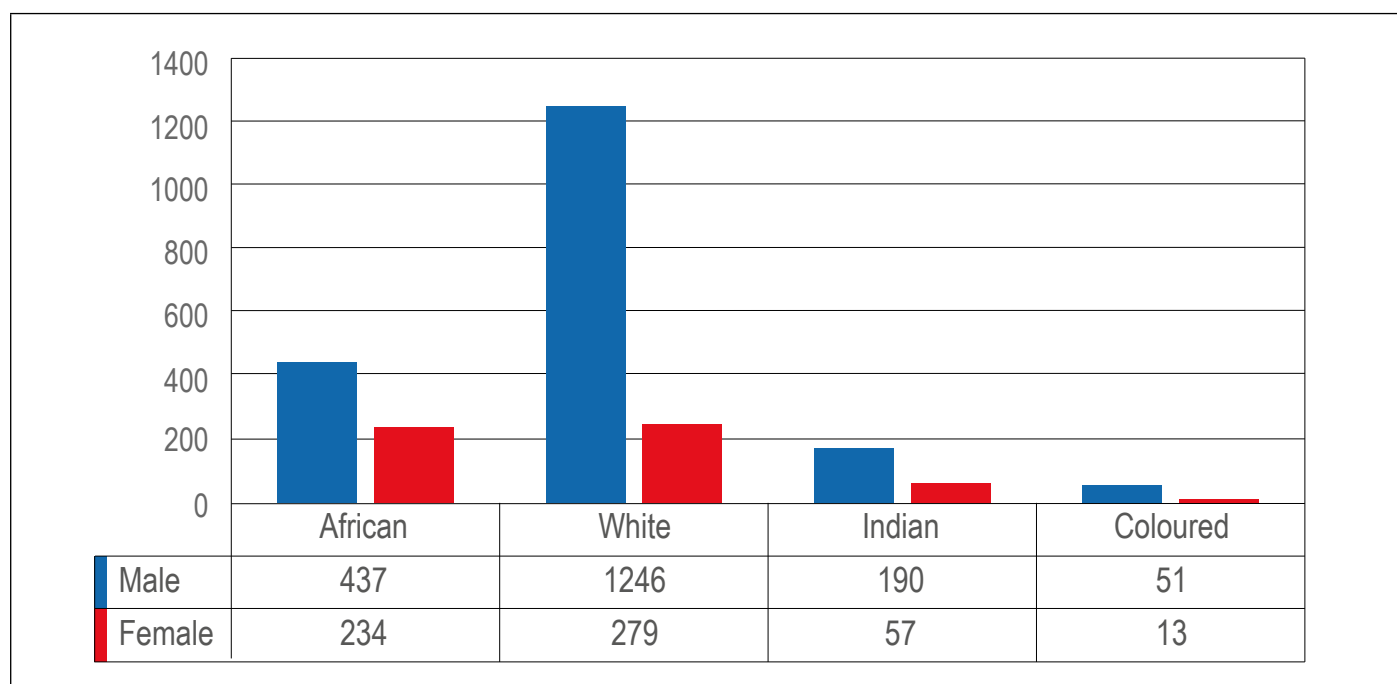
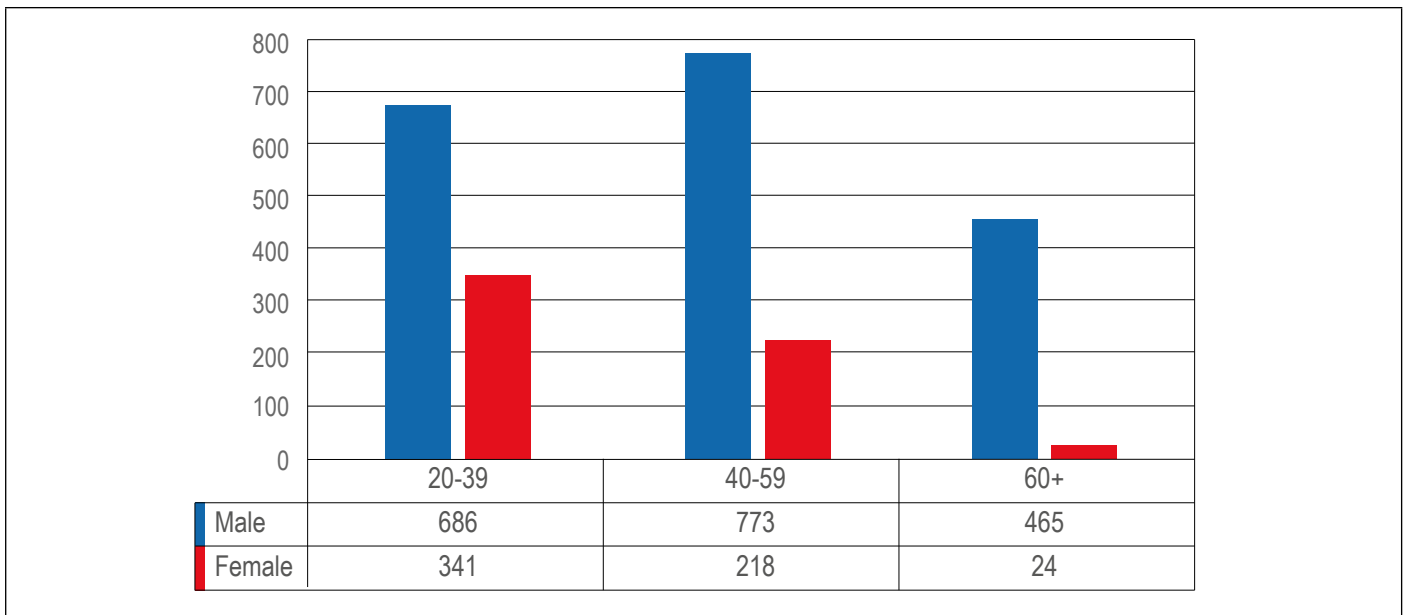


Figure 15: SACQSP Professionals per Gender and Race

(Source: SACQSP Fourth Quarter Report 2021/22)

The illustration above demonstrates SACQSP's professional registration data by the end of the 2021/22 financial year. The analysis provides that SACQSP contributes only 4% of the overall numbers of professionals registered with the CBEP. In addition, like all the other professional councils, SACQSP's professional membership is dominated by males and the white population group. Whites account for 61% of the registered professionals, while Africans, Indians and coloureds combined account for the remaining 39%. Both the racial and gender profiles of SACQSP do not reflect the demographics of South Africa.



Out of all six CBEP, only SACQSP is not dominated by mid and senior age professionals. Majority of the PrQS' are between the ages of 20-39 accounting for 41% of RPs, followed by mid age persons (40-59) with 40% and senior aged persons (60+) with 19% representation. Nevertheless, the need to support and assist young people to migrate to professional membership remains crucial.

The overall professional registration trends did not improve, the racial and gender profiles of the CBEP remains unbalanced, with women being significantly underrepresented. By the end of the 2021/22 financial year, the CBEP had registered a total of 56 326 professionals, with ECSA dominating the registration numbers, followed by SACAP and SACPCMP, while the remaining CBEP follow drastically behind, accounting only for 6% of RPs. The data thus establishes the need to improve registration numbers of professionals within these CBEP (SACLAP, SACPVP and SACQSP) in a manner that will promote equality, while representing the demographics of South Africa.

The professional registration data continues to mirror previous years' indicators in terms of racial profile, alluding to white dominance in almost all the CBEP. The African population is the second most dominant demographic group in the CBEP space, while the Indian and coloured population groups are the overall minority in all the professional councils.

The data further indicates that majority of RPs are males, accounting for 86% of the registered persons across the BEPs. The analysis emphasises that the representation of women, Indian and coloured population groups is relatively low within the CBEP. The data points out the need to improve access to the CBEP by Indians, coloureds, women and people living with disabilities.

To fully appreciate progress made towards transforming the Built Environment sector, it is crucial for the CBEP to provide data in all relevant areas, such as race, gender, age, nationality, and province with respect to the registration data. Regarding the age criterion, the data suggests that the CBEP membership is likely dominated by mid and senior aged professionals. This reveals that young people between the ages of 20-39 continue to face challenges to migrate to the professional status. The CBEP provide that this could be attributed to the lack of training or opportunities in the industry (learnerships and mentorship).

It is, therefore, imperative for the Built Environment sector to address this issue of aging professionals by implementing strategies that will assist young, registered candidates, particularly those from previously disadvantaged groups migrate to the professional level. Guaranteeing that these candidates are able to upgrade to the professional level will not only address the problem of aging professionals but will further contribute towards the goal of transforming the industry.

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

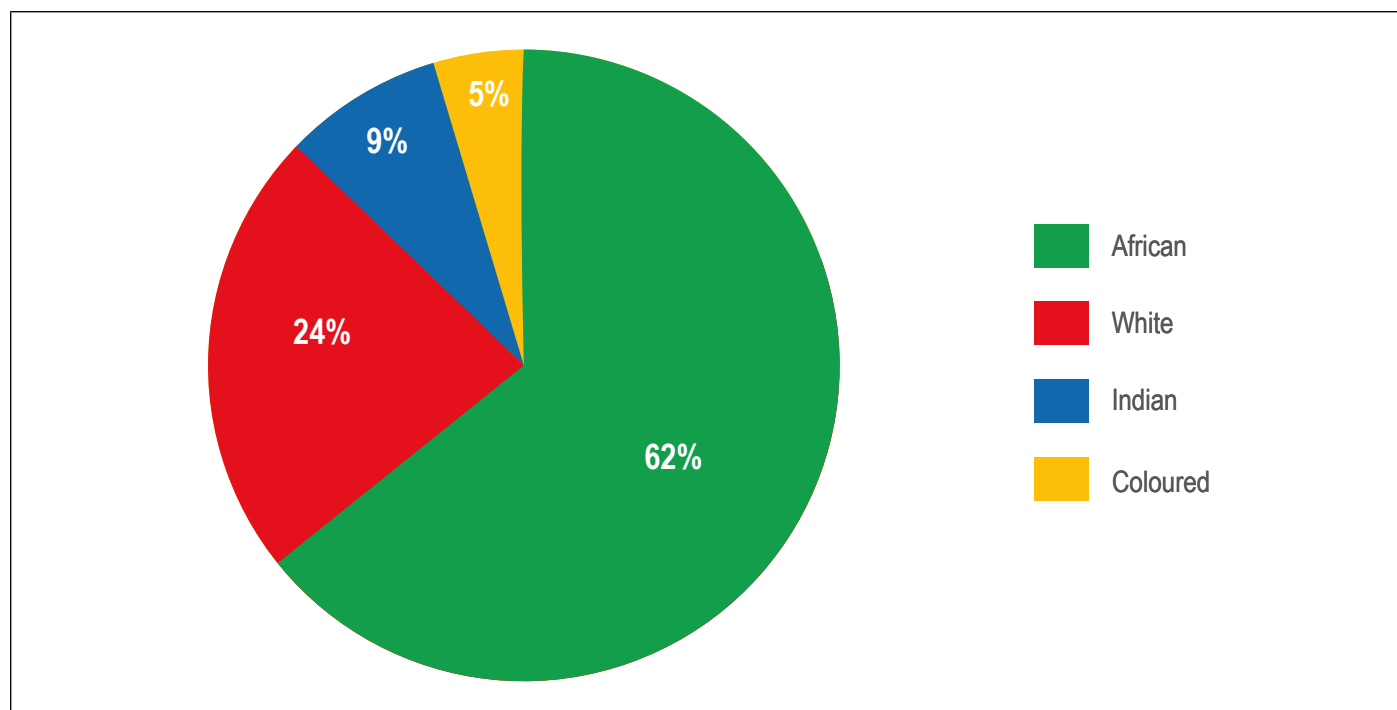


Figure 16: CBEP Candidate Race Profile

(Source: CBEP Fourth Quarter Report 2021/22)

The candidacy racial profile is far different from the professionals' racial profile in terms of transformation and representation. The analysis shows that the African population accounted for 62% of the registered candidates, whites accounted for 24%, while Indians and coloureds combined accounted for 14% of the registered candidates by the end of the 2020/21 financial year. This infers that PDIs account for 75% of registered candidates, thus highlighting the need for both the CBE and CBEP to implement initiatives that will assist PDI candidates upgrade to professional status.

Percentage of Registered Candidates by Gender

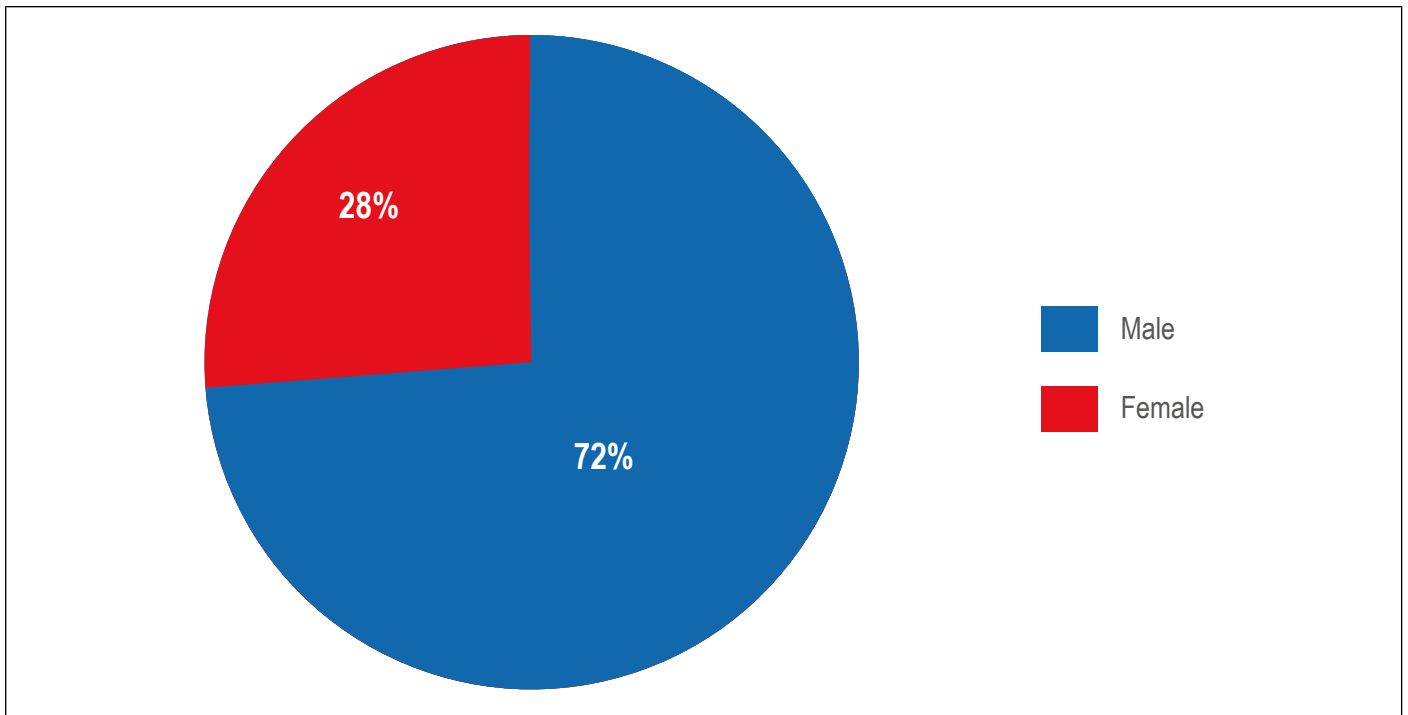
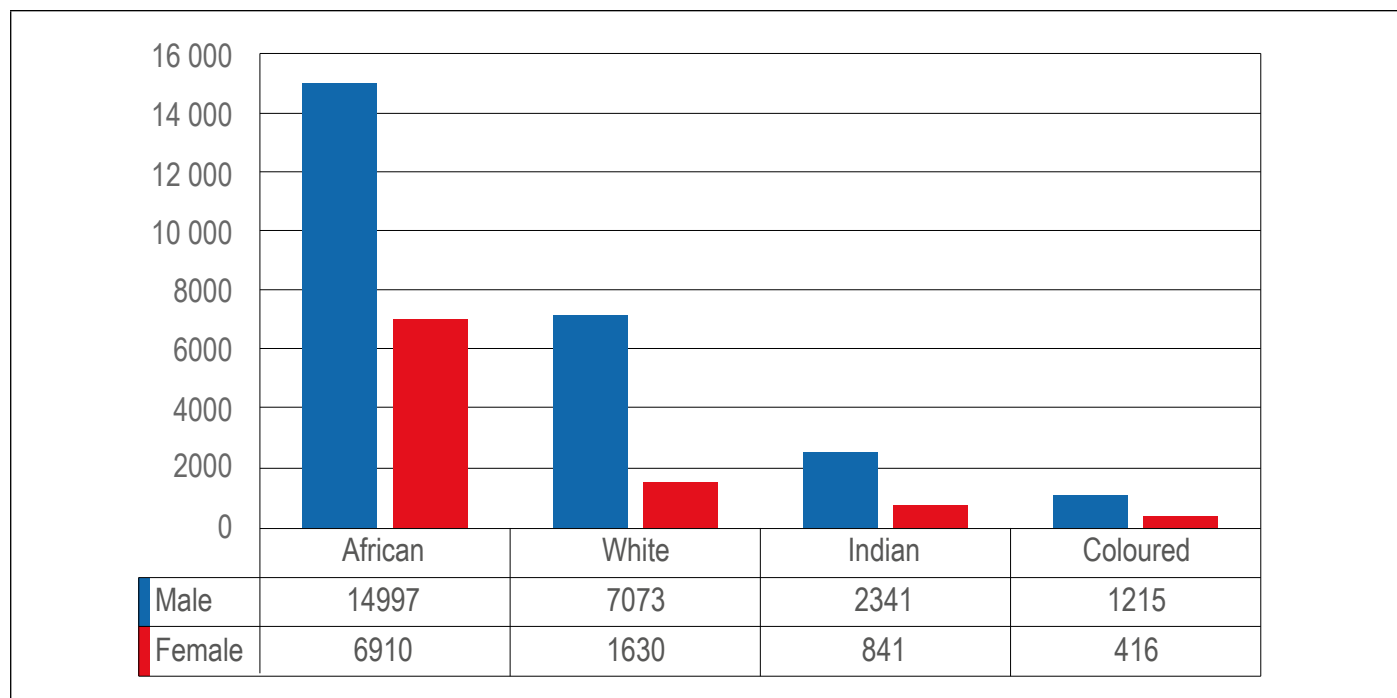


Figure 17: CBEP Candidate Gender Profile

(Source: CBEP Fourth Quarter Reports 2020/21)

The illustration compares CBEP numbers of registered candidates by gender at the end of the 2020/21 financial year. As with registered professionals, the graph explicitly demonstrates that the Built Environment sector is dominated by males. The analysis reveals that of all the candidates registered with the CBEP, only 28% are female. This, thus, provides that female representation remains a challenge across all the CBEP.

Number of Registered Candidates by Race and Gender**Figure 18: CBEP Candidate Profile per Gender and Race**

(Source: CBEP Fourth Quarter Report 2021/22)

The graph above compares CBEP numbers of registered candidates by gender and race at the end of the 2021/22 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. The candidate racial profile is demonstrating huge progress in terms of racial representation of PDIs, while the candidate gender profile signifies a huge gap in female representation.

Registered Candidates per Race, Gender and Profession

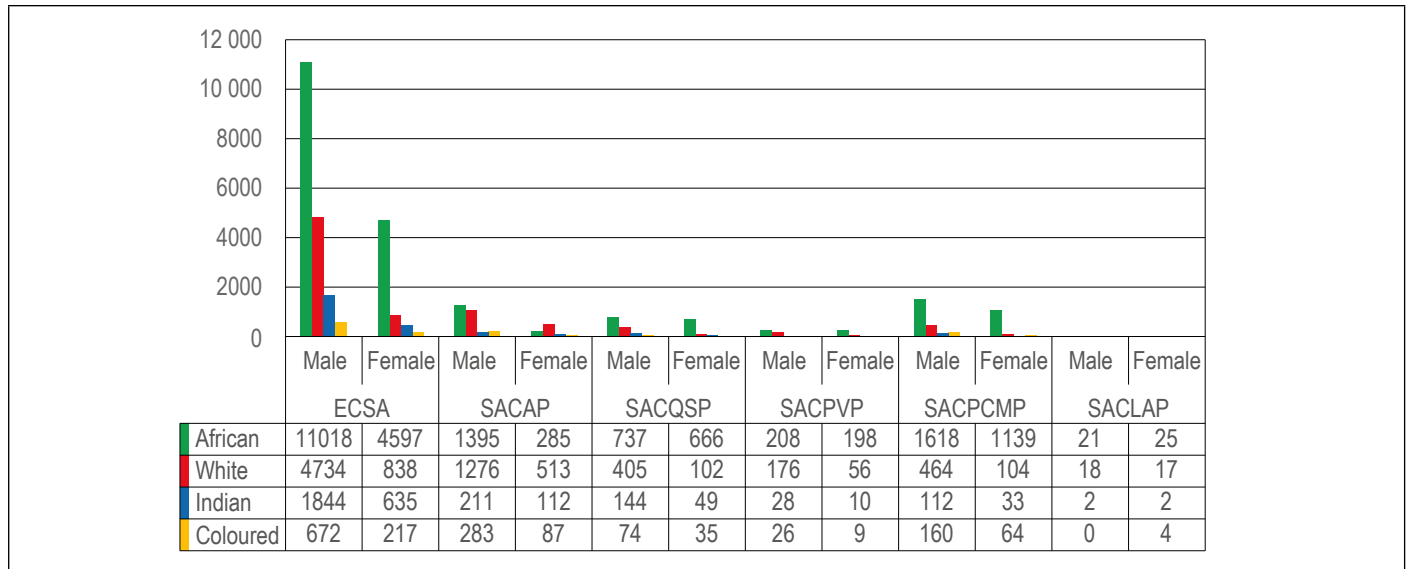


Figure 19: CBEP Candidate Profile by Gender, Race and Profession

(Source: CBEP Fourth Quarter Report 2020/21)

According to the above graph, ECSA had the highest number of registered candidates, with 69% representation, followed by SACAP at 12% and SACPCMP at 11%, while SACLAP's, SACPVP's and SACQSP's contribution to the number of registered candidates remains relatively low. The data further alludes to male domination in the candidate membership, with African males dominating five of the six CBEP viz: ECSA, SACAP, SACPCMP, SACQSP and SACPVP. The graph, accordingly, demonstrates improved access to candidate membership by the African population, highlighting progress made towards transforming the CBEP candidate profile to reflect the demographics of South Africa appropriately. However, it is noteworthy to indicate that access to both the candidate and professional membership by women, coloured and Indian population groups remains a challenge.

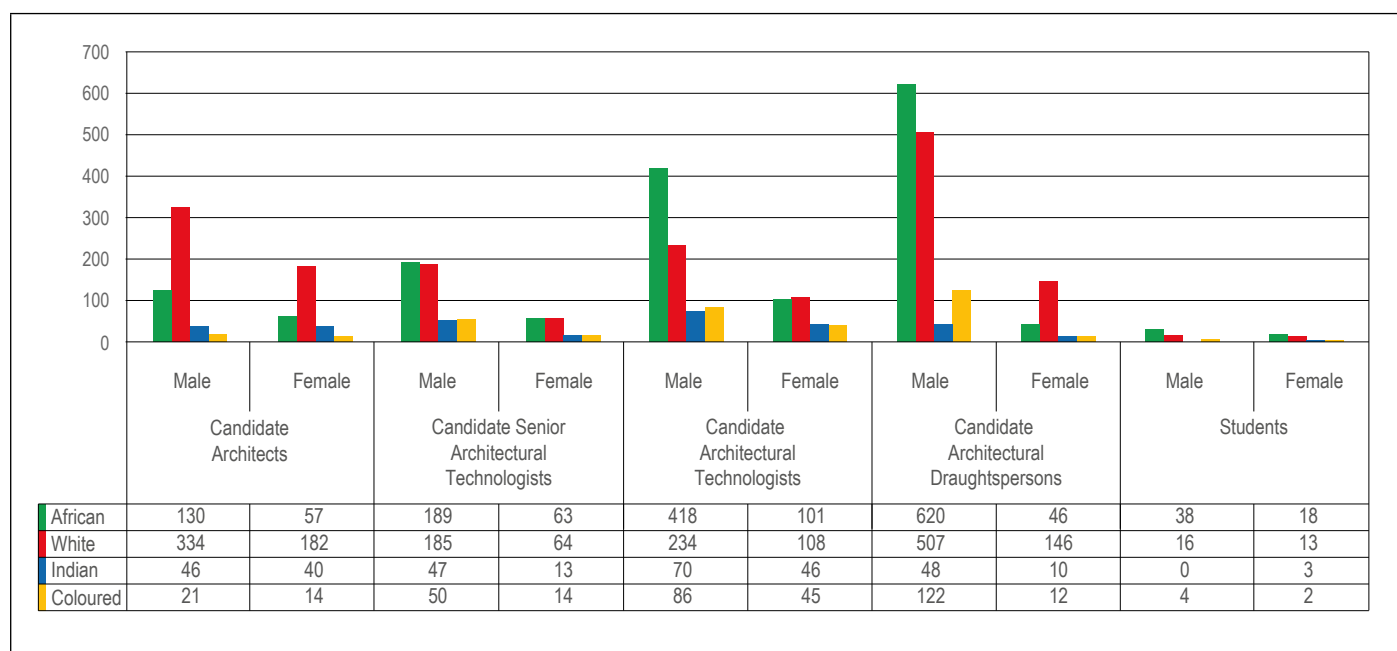


Figure 20: SACAP Candidate Profile per Gender, Race and Discipline

(Source: SACAP Fourth Quarter Report 2020/21)

The above graph demonstrates that by the end of the 2021/22 financial year SACAP had a total of 4162 registered candidates, with a racial profile of 43% white, 40% African, 9% coloured and 8% Indian. PDIs accounted for majority of registered candidates, thus highlighting SACAP's progress in terms of racial transformation. Nevertheless, SACAP is still faced with the issues of female representation in both its professional and candidate memberships. By the end of the period under review, the gender profile of SACAP still alluded to male dominance, with only 24% female representation.

The data reveals that 92% of candidates registered with SACAP are of South African Nationality, while only 2% of the registered candidates are living with a disability. The data suggests a need to promote access to SACAP's membership by women and people living with disabilities.

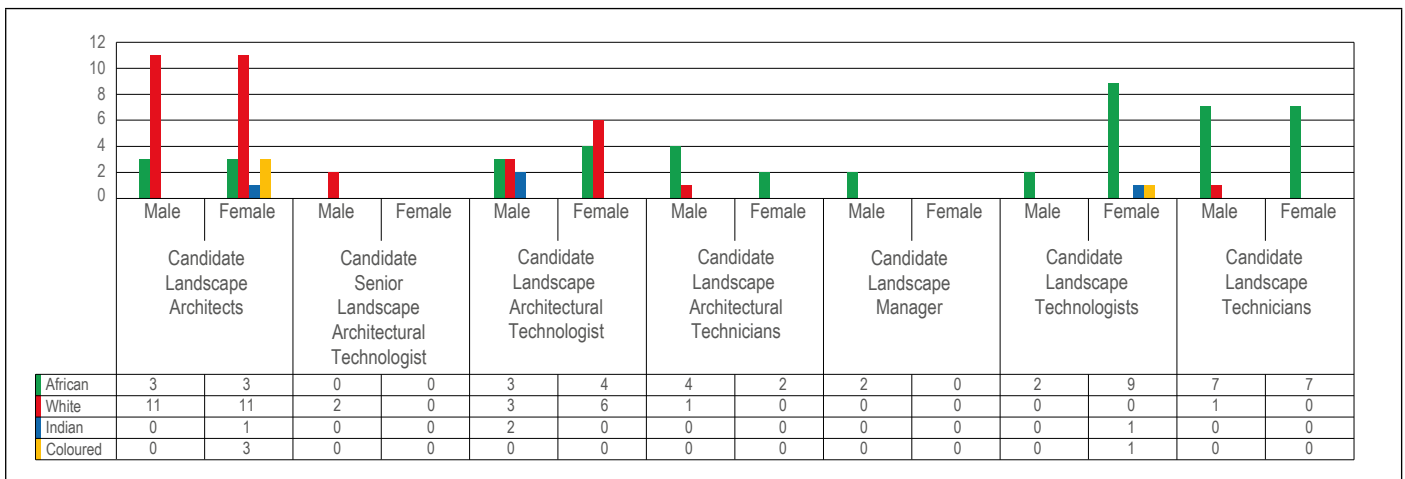


Figure 21: SACLAP Candidate Profile per Gender, Race and Discipline

(Source: SACLAP Fourth Quarter Report 2021/22)

The graph above compares SACLAP's candidates by gender, race, and discipline at the end of the 2021/22 financial year. The analysis indicates that SACLAP has made progress towards achieving a more equitable demographic profile, with a racial profile of 52% African, 39% white, while both the Indian and coloured groups account for the remaining 9%. African females remain the largest group of candidates within SACLAP, followed by African and white males. The graph explicitly illustrates that SACLAP is the only CBEP with more registered females (54%) than males (46%) in its candidate membership. While both the racial and gender profiles have significantly improved, the representation of the Indian and coloured population groups is almost non-existent in its seven categories. The need to increase access to SACLAP's professions by the two minority groups is evident.

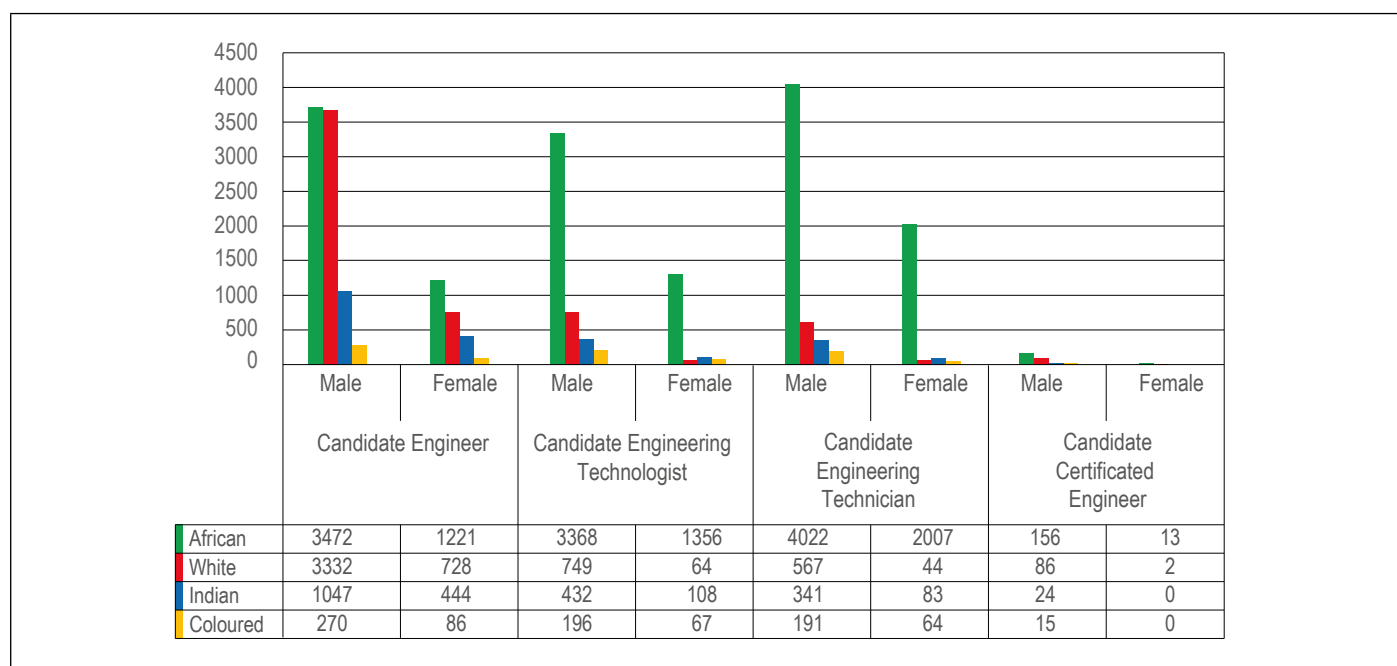


Figure 22: ECSA Candidate Profile per Gender, Race and Discipline

(Source: ECSA Fourth Quarter Report 2021/22)

Figures 12 and 22 emphasise ECSA's dominance in the CBEP in terms of RPs in both the professional and candidate memberships. As per the norm across all the CBEP, ECSA's candidate membership is dominated by African males across all categories recognised by ECSA. 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 illustration above portrays that ECSA has made substantial progress towards racial transformation, with a racial profile of 63% African, 23% white, while Indian and coloured account for the remaining 14%. Accordingly, this highlights that 77% of candidates registered with ECSA are from previously disadvantaged groups. The registration data suggests that the prospect of racial and economic transformation in the industry relies largely on bridging the gap between registered professionals and registered candidates.

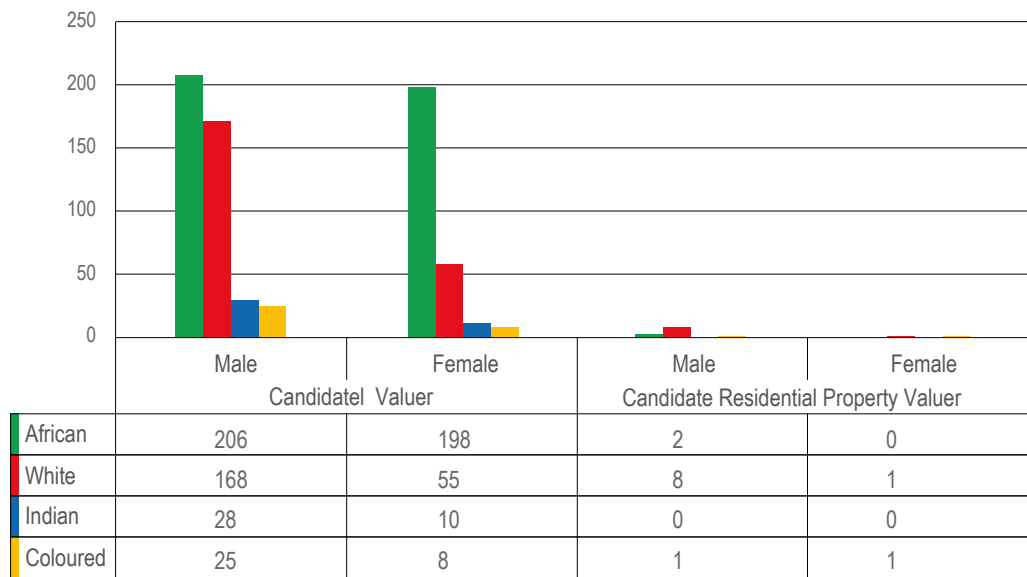
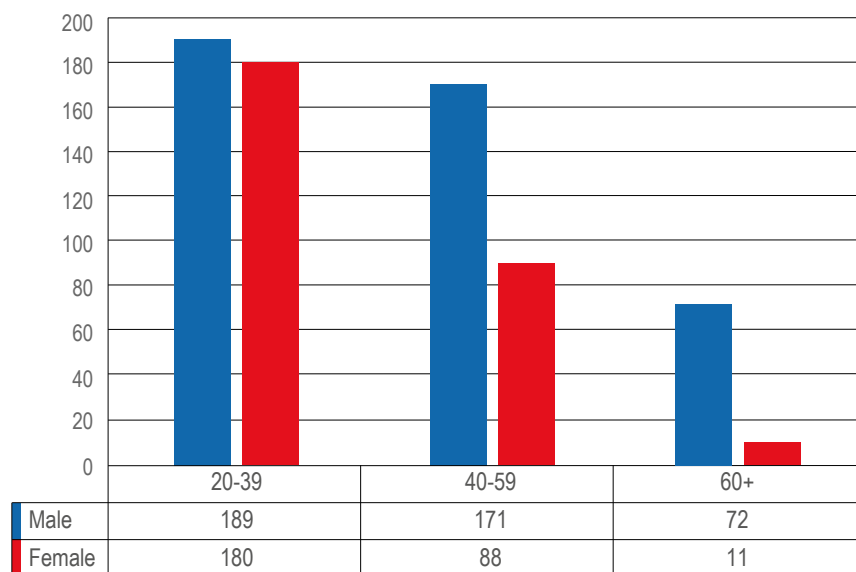


Figure 23: SACPVP Candidate Profile per Gender, Race and Discipline

(Source: SACPVP Fourth Quarter Report 2021/22)

The figure above compares SACPVP's candidates by gender, race, and category at the end of the 2021/22 financial year. Sixty-seven percent of the candidates registered with SACPVP are from previously disadvantaged groups, of these 57% are African, while Indian and coloured each account for 5%. When compared with the professionals' racial profile, there is a notable improvement in the candidates' racial profile, in terms of the representation of previously disadvantaged groups, thus suggesting progress towards a more equitable and demographically transformed SACPVP.

Although there is sufficient female representation in the Candidate Valuer category, female representation continues to be a challenge, with only 38% overall representation. The Candidate Single Residential Property Valuer category had the lowest numbers of registered candidates compared to Candidate Valuers across all the racial groups.



SACPVP's age statistics support the finding that the candidacy membership across all the CBEP is populated by young people and PDIs who continue to struggle to migrate to professional status. The analysis shows that 52% of RPs in the Candidate Valuer category are between the ages of 20-39, while the same age group only account for 9% of the registered Professional Valuers. This implies that the Candidate Valuer category is dominated by young people, while the Candidate Residential Property Assessor category is dominated by mid and senior aged persons.

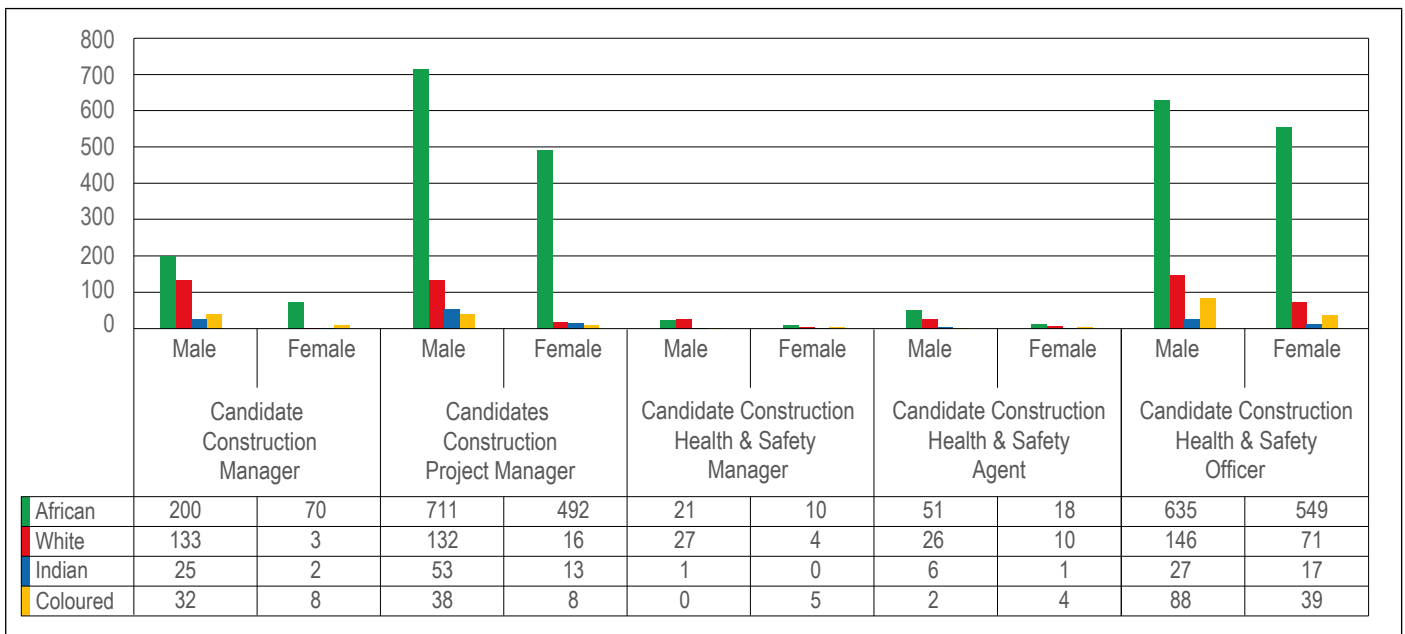


Figure 24: SACPCMP Candidate Profile per Gender, Race and Discipline

(Source: SACPCMP Fourth Quarter Report: 2021/22)

Similar to all the other CBEP, SACPCMP's candidate membership is dominated by PDIs, with the African population constituting 75% of RPs. Additionally, the 2021/22 financial year overall data indicates a slight increase in the registration of coloured candidates, more so in the Candidate Construction Health and Safety Officer category. Findings of the analysis paint the same picture across all the CBEP memberships, highlighting a common trend which again reveals that CBEP professional membership is dominated by the white minority, while CBEP candidate membership is dominated by the African population.

Additionally, male dominance is apparent across all CBEP in both the professional and candidate membership; however, African male domination seems to be common within candidacy programmes. Sixty-four percent of candidates registered with SACPCMP are males, with African males accounting for majority of registered candidates in almost all SACPCMP recognised categories, specifically Candidate Construction Health and Safety Officer, Candidate Construction Project Managers, Candidate Construction Managers and Candidate Construction Health and Safety Agent.

Candidate age analysis highlights that SACPCMP's professional membership is dominated by mid aged professionals, while candidate membership is dominated by young professionals between the ages of 20-39, with 72% representation. The analysis, therefore, not only indicates the need to improve access to SACPCMP's membership by women, but it also suggests the need to provide young people with the correct assistance in order for them to migrate to professional membership.

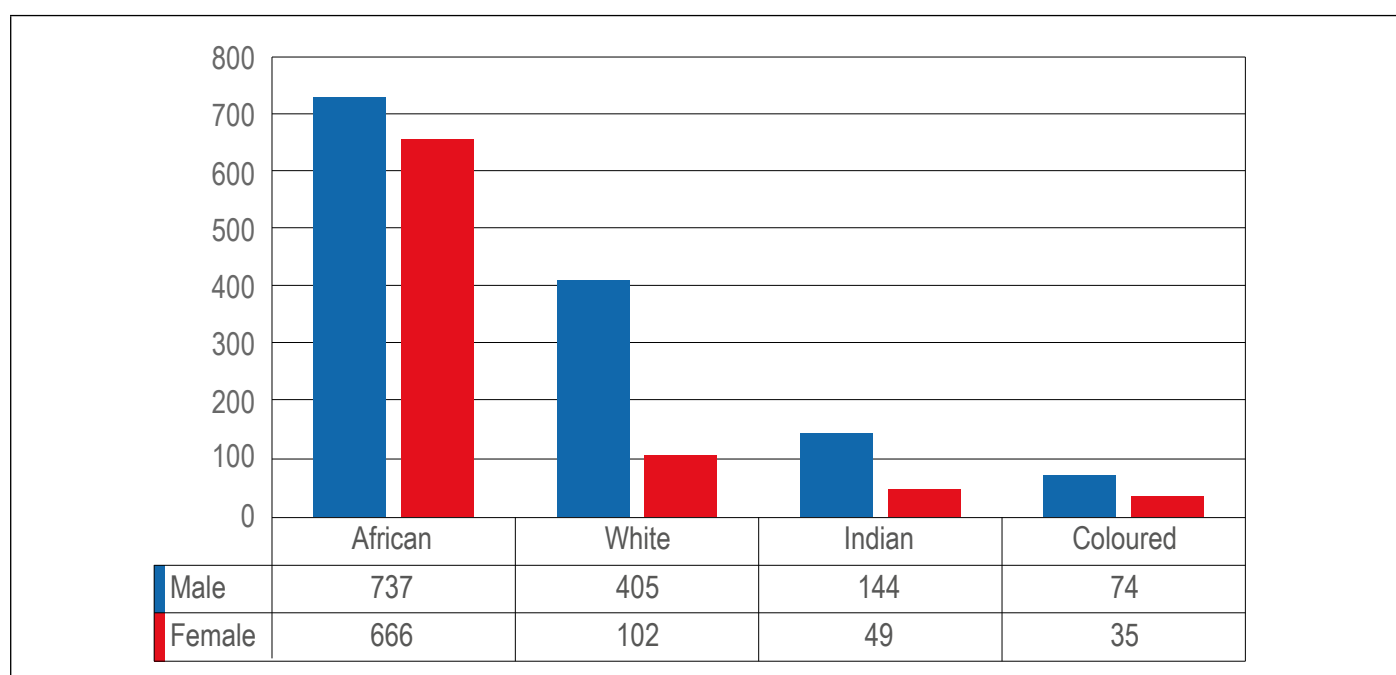


Figure 25: SACQSP Candidate Profile per Gender and Race

(Source: SACQSP Fourth Quarter Report 2021/22)

Males continue to account for majority of RPs with SACQSP, accounting for 61% of the registered individuals, while females account for the remaining 39%. However, it is 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.

One of the highlights is that there is a great number of candidate registrations recorded, yet the progression rate is very slow, which in turn also affects the transformation rate. Eighty-three percent of SACQSP's registered candidates are young professionals between the ages of 20-39. There are a couple of issues affecting progress within the prescribed minimum timeframe e.g. appropriate mentorship / supervision, juggling work and life as well as completing the professional skills module.

The candidacy racial picture is far different from the professional racial profile in terms of racial transformation. The analysis shows that the African population accounted for 62% of registered candidates, whites accounted for 24%, while Indians and coloureds combined accounted for 14%. This infers that PDIs account for 76% of registered candidates. There is a great number of candidate registrations recorded, yet the progression rate is very slow, which in turn also affects the transformation rate. There are a couple of issues affecting progress within the prescribed minimum timeframe such as lack of appropriate mentorship/supervision, juggling work and life as well as completing the professional skills module. Thus, highlighting the need for both the CBE and CBEP to implement initiatives that will assist PDIs candidates migrate to professional level.

The registration data suggests that the prospect of transformation in the industry relies largely on bridging the gap between registered professionals and registered candidates. Additionally, the skills pipeline is another key enabler of transformation in the industry, with an all-inclusive approach on promoting skills development to alleviate the skills shortage as part of tackling transformative ambitions. However, for future transformation, the CBE and CBEP should focus on assisting PDI candidates upgrade to professional status.

The CBEP are undertaking the following initiatives in order to improve the registration trends:

SACAP

SACAP's online system is constantly monitored and updated to enhance its registration process. SACAP is working on introducing a new online registration system intended to improve the registration process.

SACLAP

A review of the Registration Policy is currently underway. Draft policy documents have been finalised following stakeholder engagements with institutions of higher learning. Further engagements will ensue once the new Council is appointed, and new committees are constituted in the financial year.

SACLAP has the following mechanisms and initiatives in place to boost registration numbers and improve the demographics of RPs:

- Candidate and mentor workshops on the requirements for progressing from the candidacy to professional phase
- Identify individuals who are practicing without registration and encourage them to register
- Recognise more voluntary associations (VAs) that have members who qualify to register in any of the categories of registration

SACPVP

SACPVP holds a practical valuation work-school annually to assist in preparing newly academically qualified candidates. The latest one, for the 2021/22 financial year, incorporated a pre-examination preparation session, which in the past was held separately.

SACPCMP

SACPCMP embarked on establishing processes to ensure that its registration-related systems were consistent, clear and credible.

The Registration Policy and the Moderation System was reviewed to improve the Registration System and related processes. SACPCMP invested in ICT processes geared at improving online registration and accessibility to its Registration System.

SACPCMP is transitioning from its peer review assessment of applications to developing Competency Standards Frameworks for its recognised professions. A review of its assessment instruments and processes will follow.

SACQSP

SACQSP, in collaboration with its recognised VAs, offers free Assessment of Professional Competence (APC) preparation workshops for candidate's oral assessments. In addition, there are pre-examination workshops offered at a minimal fee conducted by an expert on the subject matter who act as examiners of the exams.

4. Accreditation

Section 13 of the 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 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 universities of technology (UoTs).

The CBEP documented the following challenges experienced by learning institutions during accreditation engagements in the 2021/22 financial year:

- UoTs are struggling to meet the minimum requirements regarding certain criteria in the accreditation policy
- UoTs are also faced with the challenge of placing students for experiential learning to complete their learning. As per the current accreditation requirement to report on the employability of students, the institutions are burdened with the responsibility to source and place students with minimal resources
- Programme accreditation by the CBEP, in Table 54, shows a slight increase; however, the issue of non-accredited programmes at educational institutions needs address

Accreditation Status of BE Programmes

Table 54 details BE programmes offered by higher learning institutions and their accreditation status. The programmes are colour-coded to denote their following accreditation status:

Red - Full Accreditation
 Black - Accreditation status not determined (information not provided)

Blue - Provisional Accreditation
 Orange - Not Accredited

Table 55: Institutions with Built Environment Programmes and their Accreditation Status

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

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACQSP
Walter Sisulu University	N/A	N/A	<p>Butterworth Campus (Ibika Delivery Site)</p> <p>National Diploma: Engineering:</p> <ul style="list-style-type: none"> - Civil - Electrical - Mechanical <p>Buffalo City Campus College Street Delivery Site)</p> <p>National Diploma: Engineering:</p> <ul style="list-style-type: none"> - Civil - Electrical <p>Baccalaureus Technologiae Degree:</p> <ul style="list-style-type: none"> - Engineering: Civil (Transportation) - Engineering: Civil (Water) - Engineering: Electrical <p>Buffalo City Campus (Chiselhurst Delivery Site)</p> <p>National Diploma: Engineering: Mechanical</p> <p>Baccalaureus Technologiae Degree: Engineering: Mechanical</p>	N/A	National Diploma: Building	National Diploma -(Building)

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACQSP
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 National Diploma: Building</p> <p>Bachelor of Technology: Construction Management</p> <p>CM Baccalaureus Scientiae in Construction Studies – BSc (Construction Studies)</p> <p>Baccalaureus Scientiae in Construction Management – BSc (Hons) (Construction Management)</p> <p>Magister Scientiae in Built Environment:</p> <ul style="list-style-type: none"> - Construction Management Specialisation - Construction Health and Safety Management Specialisation - Project Management Specialisation 	<p>National Diploma –(Building)</p> <p>BSc Construction Studies</p> <p>Bachelor of Quantity Surveying</p> <p>Bachelor of Science (Hons) in Quantity Surveying</p>

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

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACQSP
Durban University of Technology	<p>Diploma: Architectural Technology</p> <p>Bachelor of Architecture Architectural Technology (BArch)</p>	N Dip (naming is unclear)	<p>National Diploma: Engineering:</p> <ul style="list-style-type: none"> - Civil - Mechanical <p>Bachelor of Technology: Engineering: Civil:</p> <ul style="list-style-type: none"> - Construction Management - Transport - Urban - Water <p>Bachelor of Technology:</p> <p>Engineering: Mechanical</p> <p>Bachelor of Engineering Technology in:</p> <ul style="list-style-type: none"> - Power Engineering (420 credits) - Electronic Engineering (420 credits) - Industrial Engineering (420 credits) - Mechanical Engineering (420 credits) <p>Diploma in Engineering Technology – Civil Engineering (280 credits)</p>	N/A	<p>National Diploma: Building</p> <p>Bachelor of Technology: Construction Management</p>	<p>National Diploma –(Building)</p> <p>Bachelor of Technology - (Quantity Surveying)</p>

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACQSP
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) Diploma in Construction Studies Advanced Diploma in QS
Mangosuthu University of Technology	N/A	N/A	Diploma in Chemical Engineering Diploma in Electrical Engineering Diploma in Civil Engineering	N/A	N/A	National Diploma - (Building) Bachelor of Technology - (Quantity Surveying)
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) BSc Construction Studies BSc Honors QS

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACQSP
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
University of Free State	Bachelor of Architectural Studies (BAS) Bachelor of Architectural Studies [BAS (Hons)] Master of Architecture (Professional) (M. Arch)	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

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACQSP
University of KwaZulu-Natal	Bachelor of Architectural Studies (BAS) Master of Architecture (MArch)	N/A	Bachelor of Science in Engineering <ul style="list-style-type: none"> - 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
University of Pretoria	Bachelor of Architectural Sciences (BSc Arch) Bachelor of Architectural Science (Hons) [BSc Arch (Hons)] Master of Architecture (Professional) (March [Prof])	BSc Landscape <ul style="list-style-type: none"> - Architecture - Architecture Honours Masters Landscape Architecture (Professional)	Bachelor of Engineering <ul style="list-style-type: none"> - Computer Engineering - Electrical Engineering - Electronic Engineering 	MSc in Real Estate BCom and BCom (Hons)	Bachelor of Science: <ul style="list-style-type: none"> - Construction Management - (Hons) Construction Management Master of Science in Project Management	Bachelor of Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying
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 <ul style="list-style-type: none"> - 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: <ul style="list-style-type: none"> - Construction Studies - (Hons) Construction Management Master of Science: Building in Construction Project Management	Bachelor of Quantity Surveying Bachelor of Science (Hons) in Quantity Surveying

INSTITUTION	SACAP	SACLAP	ECSA	SACPVP	SACPCMP	SACQSP
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 Bachelor of Science (BSc) - Chemical Engineering - Chemical Engineering (with specialisation in mineral processing) - Computer and Electronic Engineering - Electrical and Electronic Engineering - Electro-Mechanical Engineering - Mechanical 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	SACQSP
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					
The Learning Box Studio	Masters in Architecture					
	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 volunteers is limited
- b. Cost of accreditation to higher education institutions

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

Non-accredited independent institutions offering architectural programmes:

- | | |
|-------------------------------|---|
| i. Damelin: | Architectural Draughting Diploma (NQF 6) |
| ii. Coastal KZN TVET College: | Multi-disciplinary Drawing Office Practice / Draughting |
| iii. Intec: | Architectural Draughting Diploma (NQF 6) |
| iv. African Academy: | Architectural Draughting Certificate (NQF 5) |
| v. CTU: | National Certificate: Architectural Technology (NQF 5) |
| | National Diploma: Architectural Technology (NQF 6) |

SACPCMP indicated that it has only focused on the accreditation of programmes offered by public traditional universities and UoTs. However, educational programmes relevant to SACPCMP are offered at private institutions and Technical Vocational Education and Training (TVET) colleges. The SACPCMP is currently mapping its accreditation mandate to ensure that there are comprehensive processes of addressing these issues and including all sectors in its accreditation programme. These will be reviewed and implemented in quarter two of the 2023 financial year.

5. Recognition of Prior Learning

Recognition of Prior Learning (RPL) considers individuals practising in the professions without 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 registered through RPL (1 April 2021 - 31 March 2022)	0
Percentage of registered professionals through RPL	0%
Number registration applications through RPL (LA/LM)	0
Number of RPL applications rejected/incomplete	0

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)	3
Number of RPL applications pending (Education)	0
Number of RPL applications rejected – no recognition (Education)	8

SACPVP

Recognition of Prior Learning (Annual Statistics)	Total
Number of candidates registered through RPL	2
Percentage of registered candidates through RPL	1,07%
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	56
Number of RPL applications in process	6
Number of RPL applications rejected	0
Number of RPL applicants who passed professional interview	2

SACQSP

Recognition of Prior Learning (Annual Statistics)	Total
Number of professionals registered through RPL	1
Percentage of registered professionals through RPL	0.1%
Number of registration applications through RPL	0
Number of RPL applications rejected	0

The reasons for rejecting applications were listed as follows:

- a. Inadequate support from employers
- b. Lack of clarity on knowledge areas to be covered
- c. Lack of clarity on required registration competencies
- d. Incomplete reporting and supporting documentation on experience as required through the toolkit
- e. Incorrect perception that compiling the required Portfolio of Evidence is onerous, cumbersome and very demanding
- f. Incorrect assessment tools used

6. Continuous Professional Development

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

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

The 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 professions Acts empower the CBEP to determine conditions for the renewal of registration, and continuing education and training. The discretion provided for in the professions 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 expands 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 56: Percentage of Registered Professionals who Comply with CPD Requirements

CBEP	CBEP Percentage of Registered Professionals who Comply with CPD Requirements
SACLAP	80%
ECSA	36.3%
SACPVP	65%
SACPCMP	16%
SACQSP	52%

(Source: CBEP Fourth Quarter Report 2021/22)

SACAP

As a percentage of the total number of registered professionals that renewed their registration in 2022, compliance rate is:

1. Professional Architects – 44%
2. Professional Senior Architectural Technologists – 43%
3. Professional Architectural Technologists – 35%
4. Professional Architectural Draughtspersons – 31%

CPD Challenges

The following challenges were encountered by the CBEP during the 2021/22 financial year:

ECSA

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 RP. ECSA is currently implementing system enhancements to significantly improve system functionality, user experience and monitoring the CPD processes.

SACPCMP

SACPCMP's level of CPD compliance at the end of the 2021/22 financial year was 16% overall. The compliance levels remain low for the following reasons:

- CPD records, outstanding from the YM-back-up, are yet to be captured on the MM system. These are mostly for Construction Health and Safety RPs
- Inadequate capacity to process uploaded CPD records
- There has been a more stringent application of the CPD policy resulting in CPD records rejected or requiring remediation

SACQSP

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

7. Agreements and Partnerships

In terms of section 13(e) of the professions Acts 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 2021/22 outlined the following regarding agreements:

SACAP

Internationally, SACAP signed a MoU with the Canberra Accord.

SACLAP

SACLAP is currently exploring possibilities of linkages with the organisations such as the International Federation of Landscape Associations (IFLA) and World Urban Parks Association (WUPA).

No new agreements were concluded during the 2021/22 financial year.

ECSA

ECSA is a signatory to three accords:

- i. Washington Accord (WA) - Qualifications for Engineers. ECSA joined in 1999
- ii. Sydney Accord (SA) – Qualifications for Engineering Technologists. ECSA joined in 2001
- iii. Dublin Accord (DA) – Qualifications for Engineering Technicians. ECSA joined in 2002

ECSA is a member of three Competency Agreements:

- i. International Professional Engineers Agreement (IPEA)
- ii. International Engineering Technologists Agreement (IETA)
- iii. Agreement for International Engineering Technicians (AIET)

ECSA retained its International Engineering Alliance (IEA) membership. South Africa is undergoing a routine review and the outcome will be presented at the IEA meeting in June 2022.

SACPVP

SACPVP is a member of the International Valuation Standards Council (IVSC), a body that sets International Valuation Standards (IVS). SACPVP intends to develop local valuation standards in line with the IVS.

During the year under review, SACPVP completed the 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 were compared and adapted to the International Association of Assessing Officers (IAAO) standards as well as the IVS to ensure international harmonisation of standards on municipal roll valuations.

SACPCMP

The international MoU that the SACPCMP had signed with the Australian Institute of Building (AIB) expired in the financial year under review.

SACPCMP adopted the CBE Policy Framework on International Agreements in December 2021 which strategically fostered the potential for agreements with African countries. SACPCMP will pursue this with Kenya, Malawi, Eswatini and Botswana in the 2022/23 financial year.

SACPCMP is pursuing an alternative engagement with the Chartered Institute of Builders (CIOB) in the United Kingdom to determine a new, forward-looking approach which will factor in transformation challenges and adaption to technology in the Built Environment. Such a linkage has the benefit of facilitating the precepts on the International Agreement Policy Framework as it refers to the recognition of foreign qualifications in SA and vice-versa, given the vast network of global influence that CIOB enjoys. Discussions are also underway with the Royal Institute of Chartered Surveyors (RICS) as a precursor to signing a Mutual Recognition of Professional Competence Agreement in the long term. In the short term, the Agreement will focus on mutual support to Registered Persons and facilitation of a mechanism for South African Registered Persons to practice in RICS-partner countries.

SACQSP

SACQSP signed a new Mutual Recognition of Professional Competence Agreement with the Royal Institute of Chartered Surveyors (RICS)

8. Protecting Public Interest

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

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

8.1 Improper Practice and Disciplinary Cases

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

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

Similarly, section 30(1) of the 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 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 a reasonable time frame
- 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. RPs practicing during their suspension
- h. misrepresentation

Duration of Disciplinary Matters

Most 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 RPs, and law enforcement agencies 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 RP to amend another RP'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 RP. 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 RP 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 during which a RP may not practice or hold him/herself out
11. Interventions

Complaints Received by the CBEP

Complaints of improper conduct lodged against RPs, or incidents regarding CBEP-related activities that may indicate improper conduct by RPs are investigated.

The six CBEP documented the following complaints in their Fourth Quarter Report 2021/22:

SACAP

SACAP received thirty-four (34) complaints for the 2021/22 financial year, all of which are still in progress. The nature of the complaints was as follows:

- a. Failure to perform work for a client within a reasonable time frame
- b. Failure to charge a client in accordance with the agreed project fees
- c. Failure to adequately communicate with the client regarding architectural work undertaken
- d. Failure to deliver as per the appointment
- e. Failure to set out terms of appointment in writing prior to undertaking architectural work
- f. Failure to display prescribed credential abbreviation on letterhead
- g. RPs practicing during a period of imposed suspension

- h. Practices not registered with SACAP providing architectural services
- i. Misrepresentation
- j. Failure to obtain necessary consent to amend another RP's plans ("copyright infringement")
- k. RPs undertake work out of their category of registration

SACLAP

No complaints were received during the financial year.

ECSEA

ECSEA received seven new complaints relating to competency/design errors, all of which were finalised within the stipulated time.

Thirteen (13) existing complaints from the previous financial year are still in progress - eight are technical and five ethical.

SACPVP

SACPVP received thirty-three (33) complaints of improper conduct, and their status is as follows:

a. Completed	3
b. Under investigation	27
c. Withdrawn	3

Complaints under investigation relate to:

d. under-valuation	7
e. over-valuation	6
f. properties not adequately inspected	4
g. incorrect methodology used	3
h. fraud and dishonesty	2
i. conflict of interest	1
j. failure to maintain high standards	1
k. valuation report plagiarised	1
l. not compliant with IVS	1
m. unprofessional conduct	1

SACPCMP

SACPCMP did not receive any complaints in the 2021/22 financial year.

SACPCMP received eight appeals with their status as follows:

a. Completed	4
b. In progress	2
c. Withdrawn	2

SACQSP

SACQSP received four (4) new complaints - two were finalised within the stipulated time and the remaining two are still in progress. The nature of the complaints was as follows:

- a. Breach of the SACQSP Code of Conduct
- b. Misrepresentation as a registered QS

Challenges

CBEP continuously face the challenge of finalising disciplinary cases within the stipulated time due to lack of resources (financial constraints), lack of readily available in-house legal expertise, lack of cooperation from the third party and meeting non-attendance for committee members to take resolutions, resulting in delays.

9. Built Environment Health and Safety

Section 3(e) of the CBE Act impels it to *promote appropriate standards of health, safety and environmental protection within the built environment*. The CBE Act does not, however specify policy instruments to achieve appropriate standards of health and safety and environmental protection, as these lie with other government line functions such as 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.

SACPCMP

SACPCMP approved the following policies in December 2021 to cater for both remote working conditions as well as employee wellness within the working environment:

- Wellness Policy
- Work-from-home Policy
- Tools of Trade Policy

10. Sustainable and Integrated Development

10.1 Identification of Work

The CBE is compelled by section 20(2) of the CBE Act to identify the scope of work for each category of RPs – 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 the 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. The CBE gazetted the IDoW, which is critical to guide the six CBEP to develop their rules to enable them to regulate their registered Built Environment Professionals. The CBEP indicated that research and development on the IDoW policy will commence during the 2021/22 financial year. The status for each CBEP is as follows:

SACAP

- IDoW was published in a gazette on 30 April 2021
- After a transitional period of a year, the IDoW was to come into effect on 30 April 2022

SACLAP

The outgoing SACLAP Council resolved that due to limited resources, it was best for SACLAP to wait until other sister Councils finalised their processes before commencing with both processes.

ECSA

ECSA developed a draft IDoW document and is currently consulting VAs and affected parties. The process will be finalised in 2022/23 financial year.

SACPVP

The IDoW was discussed at the Council meeting in September 2021, however there is no progress to report on to date.

SACPCMP

SACPCMP contracted the University of Pretoria to conduct research and develop a IDoW draft document. The Council is currently consulting VAs and affected parties.

SACQSP

- Amendments to the policy document were sent to Council for approval
- There was a meeting held with the CC in July 2021 for guidance and to explore the possibility of a workshop on the document
- The IDoW Committee has gone as far as aligning the Policy to the other respective SACQSP Policy documents i.e. registration, Education

10.2 Professional Fees

Section 4(k)(v) of the CBE Act empowers it to *ensure the consistent application of policy by the councils for the professions with regards to the principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition.*

In terms of section 34(1) of the 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 professions' Acts of 2000 provides that *"The council must annually after consultation with the voluntary associations, representatives of service providers and clients in the public and private sector, determine guideline professional fees and publish those fees in the Gazette."*

At the beginning of 2013, the CBEP resolved not to publish professional fees, acting on the CC's advice that this was deemed anti-competitive behaviour. On this basis, an exemption application was submitted to the CC, which was rejected. This is expected to be the basis of an appeal headed by the CBE on behalf of the CBEP.

The CBEP are required by law to determine guideline professional fees for the purpose of guidance required to promote market efficiency and redress consumers' information deficit relative to the professional's knowledge and expertise. The guideline professional fees are not prescribed or set as maximum or minimum mandatory fees to be charged for professional services rendered.

SACAP commenced a fees survey in the architectural profession to determine Guideline Professional Fees for 2023. The Guideline Professional Fees for 2022 is based on the cost of providing architectural service by its RPs.

ECSA published its Guideline Professional Fees in March 2021. However, the CC issued a directive to ECSA on 10 November 2021 to withdraw it by 20 December 2021 on the grounds that firstly, its rejection notice of 2016 still applied, and secondly such publications amount to price fixing and is against international best practice.

SACPCMP last published its Guidelines on Professional Tariff of Fees in 2019. During the year under the review, consultative engagements took place with stakeholders (including VAs), and a Call for Comments on the 2022 Guidelines on Professional Tariff of Fees. The final publication of fees was scheduled for March 2022; however, the decision to publish in March 2022 was postponed, pending ongoing discussions with the Competition Commission SA and the CBEP.

10.3 Voluntary Associations

In South Africa, a Voluntary Association (VA) is any association that has been recognised as such by a 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 policy prescripts of the associated council for the profession on VAs.

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 in developing qualifications. Their recognition is important and should be encouraged since they play the following critical roles:

- i. Provide a pool of practitioners to serve on professional councils' committees
- ii. Play the role of competency assessment (assessors) in the registration process
- iii. Provide a pool of mentors for candidate professionals
- iv. Serve as members of evaluation committees for programme accreditation at higher education institutions which offer Built Environment qualifications

Table 57: Number of Voluntary Associations Recognised by the CBEP

CBEP	Number of VAs Recognised	Number of VAs Not Recognised
SACAP	13	0
SACLAP	3	3
ECSA	48	0
SACPVP	2	1
SACPCMP	11	3
SACQSP	1	0

(Source: CBEP Fourth Quarter Report 2021/22)

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
- iii. SACPCMP de-recognised two VAs in the 2021/22 financial year due, in part, to changes in their constitution as going concerns









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