



1st QUARTER PERFORMANCE INFORMATION FOR THE FINANCIAL YEAR 2017/18

First Quarter 2017/18: 01 April – 30 June 2017

| | |
|--|-----------|
| 1. ACRONYMS AND DEFINITIONS USED IN THE REPORT | 5 |
| 2. APPROVAL | 9 |
| PART A..... | 10 |
| EXECUTIVE SUMMARY | 10 |
| 3. EXECUTIVE SUMMARY | 11 |
| PART B..... | 13 |
| GOVERNANCE | 13 |
| 3.1 INTRODUCTION | 14 |
| 3.2 EXECUTIVE AUTHORITY | 14 |
| 3.3 THE ACCOUNTING AUTHORITY | 14 |
| 3.4 COMPOSITION OF THE COUNCIL..... | 15 |
| Committees of Council: | 17 |
| Statutory Committees | 17 |
| Other Committees | 17 |
| Executive Committee | 17 |
| Audit and Risk Committee | 18 |
| Finance, Human Resources and Legal Committee..... | 21 |
| Meetings of Council | 24 |
| Remuneration of Council members | 27 |
| 3.5 RISK MANAGEMENT | 29 |
| 3.6 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT..... | 29 |
| 3.7 INTERNAL AUDIT..... | 30 |
| Internal Audit Function..... | 30 |
| 3.8 COMPLIANCE WITH LEGISLATION AND PROCEDURES..... | 30 |
| 3.9 FRAUD AND CORRUPTION..... | 30 |
| 3.10 MINIMISING CONFLICT OF INTEREST..... | 31 |
| 3.11 CODE OF CONDUCT | 31 |
| 3.12 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES..... | 31 |
| 3.13 TRAINING AND DEVELOPMENT | 31 |
| 3.14 SUPPLY CHAIN MANAGEMENT..... | 31 |
| PART C..... | 33 |
| PERFORMANCE INFORMATION | 33 |
| 4. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE | 34 |
| 4.1 Programme 1: Administration..... | 34 |
| 4.2 Programme 2: Skills for Infrastructure Delivery | 35 |
| 4.3 Programme 3: Built Environment Research, Information and Advisory | 40 |
| 4.4 Programme 4: Regulation and Oversight of six BEPCs | 43 |



| | |
|---|----|
| 4.5. Programme 5: Government Policies and Priorities | 45 |
| PART D | 46 |
| EXPENDITURE REPORT | 46 |
| PART E | 46 |
| HUMAN RESOURCE EXCEPTION REPORT | 46 |



TABLE INDEX

| NO | TITLE | PAGE |
|----|---|------|
| 1 | Achievement status of quarterly targets | 11 |
| 2 | Fourth Term Council | 16 |
| 3 | Audit and Risk Committee membership | 19 |
| 4 | Council Committees composition and meetings | 26 |
| 5 | Council Remuneration | 28 |
| 6 | Procurement | 32 |
| 7 | Candidate Applicants for 2017/18 | 38 |
| 8 | Learning Programmes evaluated | 39 |
| 9 | Employee Statistics | 65 |
| 10 | Racial and Gender Equity | 66 |
| 11 | Employee Leave | 67 |
| 12 | Absenteeism rate | 68 |

1. ACRONYMS AND DEFINITIONS USED IN THE REPORT

| | |
|---------|---|
| Act | The CBE Act 43 of 2000 |
| AFS | Annual Financial Statement |
| AGSA | Auditor-General South Africa |
| APP | Annual Performance Plan |
| BE | Built Environment |
| BEP/s | Built Environment Profession/s |
| BEPC/s | Built Environment Professional Council/s (now revised to Councils for the Built Environment Professions [CBEP]) |
| CBE | Council for the Built Environment |
| CBEP | Councils for the Built Environment Professions (revised from Built Environment Professional Council/s [BEPC/s]) |
| CC | Competition Commission |
| CCMA | Commission for Conciliation, Mediation and Arbitration |
| CEO | Chief Executive Officer |
| CETA | Construction Education and Training Authority |
| CFO | Chief Financial Officer |
| CHE | Council for Higher Education |
| COO | Chief Operations Officer |
| Council | CBE Council |
| CPD | Continuous Professional Development |
| DHET | Department of Higher Education and Training |



| | |
|----------|---|
| DHS | Department of Human Settlements |
| DPW | Department of Public Works |
| GTAC | Government Technical Advisory Committee |
| HDI | Historically Disadvantaged Individual |
| HR | Human Resources |
| ICT | Information Communications Technology |
| IDMS | Infrastructure Delivery Management System |
| IDoW | Identification of Work |
| IT | Information Technology |
| KMIT | Knowledge Management and Information Technology |
| Minister | Minister of Public Works |
| MoA | Memorandum of Agreement |
| MTSF | Medium Term Strategic Framework |
| NDP | National Development Plan |
| OCPO | Office of the Chief Procurement Officer |
| OMA | O.M.A Chartered Accountants Inc. |
| OSD | Occupation Specific Dispensation |
| PFMA | Public Finance Management Act |
| PICC | Presidential Infrastructure Co-ordinating Committee |
| SAQA | South African Qualifications Authority |
| SCM | Supply Chain Management |



| | |
|-------|--|
| SIPDM | Standards for Infrastructure Procurement and Delivery Management |
| SIPS | Strategic Infrastructure Projects |
| ToR | Terms of Reference |
| UoT | University of Technology |
| WIL | Work Integrated Learning |

Committees of Council

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

Councils for the Built Environment Professions (CBEP)

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

CBE Programmes

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





2. APPROVAL

This Quarterly Report was approved by:



P. Mdlalose (Ms)

Acting Chief Executive Officer

31/07/2017

Date

PART A
EXECUTIVE SUMMARY



3. EXECUTIVE SUMMARY

This report presents the performance of the Council for the Built Environment (CBE) for the first quarter of the 2017/18 financial year. It constitutes six parts. Part A is the Executive Summary, which provides an overall synopsis of the performance of the CBE, in terms of its mandate and strategic objectives as set out in its Strategic Plan. Part B provides a detailed Governance Report. Part C provides a detailed analysis of the performance of each Programme. Part D provides a detailed Financial Report for the quarter. Part E provides a Human Resource Exceptional Report for this reporting period.

The CBE implements its Annual Performance Plan (APP) through five programmes; viz.

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

The 2017/18 APP has 19 quarterly targets set for the first quarter. Of these, sixteen (84%) were achieved, one (5%) was partially achieved, and two (11%) were not achieved. The general reasons noted for the non-achievement of targets is the dependency on external stakeholders, such the non-submission of APPs and Strategic Plans by some councils for the professions.

Table 1: Achievement status of quarterly targets

| APP Programme | Number of quarterly targets | Achieved | Partially Achieved | Not Achieved |
|--------------------------------|-----------------------------|-----------|--------------------|--------------|
| Programme 1 | 2 | 2 | 0 | 0 |
| Programme 2 | 6 | 6 | 0 | 0 |
| Programme 3 | 3 | 3 | 0 | 0 |
| Programme 4 | 6 | 3 | 1 | 2 |
| Programme 5 | 2 | 2 | 0 | 0 |
| Quarter 1 total targets | 19 | 16 | 1 | 2 |



The highlights for the quarter under review were the following:

- An Information Technology (IT) Governance Policy, in the form of a framework, was developed and presented to CBE Management on 27 June 2017. Priority areas in the policy were identified and will be implemented during the financial year.
- The first draft of the 21 Step Project Process Plan for two categories of high demand professions implementation plans were developed in support of Landscape Architecture and Property Valuer professionals for the Strategic Infrastructure Projects (SIPs).
- More than 150 grade 11 and 12 learners were registered in the Provinces of Eastern Cape and Free State to participate in the CBE Maths and Science support programme. These were rolled out in the Port Elizabeth and Bloemfontein Education Districts respectively.
- 152 interns were placed for work integrated learning.
- All appeals lodged were finalised within the statutory time limit as required.
- The CBE Corporate Governance Framework was reviewed to align with the King IV Report on Corporate Governance in South Africa, 2016 (King IV).
- The CBEP policies were reviewed to align with Ministerial approved Policy Frameworks.



PART B
GOVERNANCE



3.1 INTRODUCTION

CBE takes its governance responsibility from the relevant legislation and principles of the King IV Report on Corporate Governance for South Africa (King IV). According to King IV, Corporate Governance is about the exercise of ethical and effective leadership by the 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:

- (i) An ethical culture.
- (ii) Sustainable performance and value-creation.
- (iii) Adequate and effective control by the Council.
- (iv) Protecting and building trust in the CBE as an organisation, its reputation and legitimacy.

On 25 May 2017, Council received a presentation on the governance principles emanating from the King IV Report applicable to public entities. An assessment of Council's compliance with said principles is underway, and will be reported on in the next quarter. An external performance assessment of Council and its Committees is being arranged.

3.2 EXECUTIVE AUTHORITY

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

3.3 THE ACCOUNTING AUTHORITY

The CBE Council is the Accounting Authority of the organisation. The CBE was established in terms of Act 43 of 2000 (CBE Act), hereafter referred to as the "Act." Some of the key functions assigned to the CBE by the Act include the following:



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

The CBE is, in addition, mandated to effect policy coordination within the built environment (BE), promote the participation of the built environment professions (BEPs) in integrated development within the context of national goals, promote sound governance of the built environment professions and act as the conduit for communication between Government and the BEPs.

3.4 COMPOSITION OF THE COUNCIL

The CBE Act stipulates that Council comprises twenty members (non-executive), appointed by the Minister, consisting of:

- a. One representative from the Department of Public Works (DPW);



- b. Not more than three persons nominated by state departments within whose functional areas the professions are also practised;
- c. Two representatives nominated by each councils for the professions; and
- d. Not more than four persons nominated by the public.

The CBE Act stipulates a formal process for the appointment of members. 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) and CBE staff is responsible for operational matters.

Table 2: Fourth Term Council

| Name | Designation (<i>Section of the Act in terms of which appointment was made</i>) | Date Appointed | Date Resigned |
|---------------------------------|--|----------------|------------------|
| IM Nkosi (Chairperson) | Section 5(2)(c) Nominated by SACPCMP | 1 August 2014 | - |
| NF Sithole (Deputy Chairperson) | Section 5(2)(d) Public representative | 1 August 2014 | - |
| Adv. DJ Block | Section 5(2)(d) Public representative | 1 August 2014 | 16 February 2015 |
| CA Breed | Section 5(2)(c) Nominated by SACLAP | 1 August 2014 | - |
| IS Kgomo | Section 5(2)(b) Representative Department of Public Enterprise | 1 August 2014 | 31 December 2014 |
| ND Lombard | Section 5(2)(c) Nominated by SACAP | 1 August 2014 | - |
| N Maharaj | Section 5(2)(d) Public representative | 1 August 2014 | 06 May 2015 |
| EG Makongwana | Section 5(2)(c) Nominated by SACPVP | 1 August 2014 | - |
| JL Margolius | Section 5(2)(c) Nominated by SACPVP | 1 August 2014 | - |
| Dr ZT Mathe | Section 5(2)(c) Nominated by ECSA | 1 August 2014 | - |
| T Matunda | Section 5(2)(c) Nominated by SACQSP | 1 August 2014 | 11 February 2015 |
| D Michell | Section 5(2)(c) Nominated by SACPCMP | 1 August 2014 | - |
| Prof KA Michell | Section 5(2)(c) Nominated by SACQSP | 1 August 2014 | - |
| C Mtshisa | Section 5(2)(a) Representative Department of Public Works | 1 August 2014 | - |
| ZC Mvalo | Section 5(2)(b) Representative Department of Higher Education | 1 August 2014 | - |
| A Sassenberg | Section 5(2)(c) ECSA | 1 August 2014 | - |



| | | | |
|--------------|---|---------------|------------------|
| RG Sefotlho | Section 5(2)(d) Public representative | 1 August 2014 | - |
| AA Steyn | Section 5(2)(c) Nominated by SACLAP | 1 August 2014 | 02 February 2016 |
| S Thubane | Section 5(2)(c) Nominated by SACAP | 1 August 2014 | - |
| MM Tshangela | Section 5(2)(c) Representative Department of Environmental Affairs | 1 August 2014 | - |

Committees of Council:

Statutory Committees

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

Other Committees

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

Executive Committee

In terms of The Act, EXCO may hold meetings as and when necessary, but at least four times per year.

On 26 May 2017, Council reviewed and adopted the following terms of reference for EXCO:

- 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.
- 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.
- i. Make recommendations to Council on the above and inform Council of decisions finalised in terms of the Council's delegation.

EXCO held a regular meeting on 20 April 2017 to consider the matters below:

- CBE's Fourth Quarter Report was approved for statutory submission.
- A Stakeholder Management Report from the Acting CEO was noted. The specific need to provide feedback to stakeholders on the identification of work (IDoW) process was noted.
- The opportunity to resubmit the IDoW exemption applications to the Competition Commission (CC) was discussed and noted.
- It was resolved that the Risk Register must be reviewed, as the risks reflected may have changed.
- The appointment of service providers to address the IT requirements of the CBE.
- On legal compliance, no specific breaches were reported.
- The former CEO's unfair dismissal hearing was still pending before the Commission for Conciliation, Mediation and Arbitration (CCMA).

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 policy that outlines its terms of reference.

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

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

Table 3: Audit and Risk Committee membership

| Name | Internal or external | If internal, position in the public entity | Date appointed | Date Resigned |
|---------------|----------------------|--|--|---------------|
| D Coovadia | External Member | | 6 December 2010(1 st Term) 6 December 2014 (2 nd Term) | |
| Ms.M Mothipe | External Member | | 8 February 2013 (1 st Term) 6 December 2014 (2 nd Term) | |
| F Docrat | External member | | 6 December 2014 (1 st Term) | |
| Ms.NF Sithole | Council Member | | 1 August 2014 | |
| Ms. N Maharaj | Council Member | | 1 August 2014 | 06 May 2015 |



| Name | Internal or external | If internal, position in the public entity | Date appointed | Date Resigned |
|--------------|----------------------|--|--------------------------------------|---------------|
| JL Margolius | Council Member | | Appointed by Council on 27 May 2015. | 18 May 2017 |
| Ms. A Lee | Council Member | | Appointed by Council on 26 May 2017 | |

The ARC held one regular meeting during the quarter, on 19 April 2017, and the following were discussed:

- The fourth quarterly Performance Report was noted and recommended for adoption by EXCO. Engagement with CBEP for alignment of submission dates with the CBE Corporate Calendar was discussed. DPW would be engaged with regard to setting targets, which Council and the executive do not have control over.
- A Financial Report was circulated to ARC. The CFO assured the meeting that the submission deadline for the reviewed financial statements to the Auditor General South Africa (AGSA) will be met.
- The Corporate Governance Report was noted. The role of the ARC must be clarified by adding the following item to the duties of the ARC: “Item (I) The ARC to ensure that the Risk Register is updated in line with APP on a bi-annual basis”.
- The Committee noted the IT Gap Analysis report and the high level implementation plan to address the recommendations of the service provider. The progress made on the recruitment process of the Knowledge management and Information Technology (KMIT) Manager was noted. A temporary resource to be appointment to manage the IT targets, while the recruitment process is underway.
- The fourth quarterly Procurement Report was noted, especially the deviations and their reasons.
- The External Audit Matrix Quarter 4 / Dashboard was discussed and the Committee noted that no material findings were identified during the preliminary audit. The scheduled dates of the final audit were noted with the expected completion date of June 2017.
- Internal Audit Report was noted. O.M.A. Chartered Accountants Inc. (OMA), the newly appointed internal auditors, presented their three year rolling plan, internal audit coverage plan and the risk overview report.
- The Risk Register was discussed and the Committee requested that a Risk Management Report reflecting *inter alia* deliberations on risks, meetings with risk owners, review of risk register and identifying emerging risks and timelines on mitigation factors. OMA will guide the process and advise on risk management and reporting.



- The Legal Compliance Report was noted with O.M.A. Chartered Accountants requested to assist in ensuring compliance in terms of Treasury Regulations. The policy review cycles of each policy must be included in the legal compliance report.

A special ARC meeting was held on 22 May 2017 to discuss the following:

- Annual Financial Statements (AFS): The AFS were noted with proposed changes and recommended to Council for approval.
- Draft Annual Report: The Report was discussed and noted with proposed changes and recommended to Council for approval.
- Internal Audit: A progress report was discussed and noted.

Finance, Human Resources and Legal Committee

The mandate of the Finance, Human Resources and Legal Committee (FHLC) is as follows:

(i) Finance

- a. 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).
- b. 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.
- c. Review the annual financial statements of the CBE in conjunction with ARC, and make recommendations to Council.
- d. Receive and consider budget proposals from the Executive and recommend the annual operating and capital budgets to Council.
- e. Monitor compliance with the PFMA in respect of matters relating to the CBE Act.
- f. Review the adequacy of the working capital by comparing cash focus against the actual.
- g. Receive reports of fraud relating to the CBE.
- h. Report on activities of the Committee at every ordinary meeting of the Council.
- i. Establish an annual work plan to ensure that all relevant matters of the Committee's roles and responsibilities are covered.



(ii) Human Resources

- a. Consider and make recommendations on the Human Resources (HR) Strategy to ensure that CBE is able to attract, retain and develop the best possible talent to support business performance.
- b. Consider and make recommendations on the creation or review of an organisational culture, structure, and processes, which seek to support the development of staff and optimisation of their potential, in particular those who have been previously disadvantaged to address any existing inequalities in staff profiles and organisational practice.
- c. Ensure compliance with all employment legislation such as Employment Equity Act, Labour Relations Act and Basic Conditions of Employment Act, etc.
- d. Consider and make recommendations on a formal and transparent procedure for developing a policy on remuneration with particular reference to Senior Management.
- e. Determine the annual remuneration adjustments for CBE staff.
- f. 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.

(iii) Legal

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

A regular meeting of the FHLC, set for 18 May 2017, discussed:

- The Quarter 4 Expenditure Report was noted with a commitment to have the draft financial statements by 19 May 2017.
- The 2017/18 budget was noted with proposed changes and recommended to Council for approval.
- A submission on the payment of a preparatory allowance for Council and Committee members was considered and recommended to Council for approval.
- The difference on the remuneration of ARC members (Chartered Accountants) and Council members serving in the ARC Committee who are also Chartered Accountants was discussed. The FHLC view was noted that the Council member's remuneration rates should apply.



- The proposal for financial assistance to SACLAP was considered by FHLC with proposed changes and recommended to Council for approval.
- The Government Technical Advisory Committee's (GTAC) Capacity Building proposal was considered by FHLC and recommended to Council for approval, subject to the approval of surplus funds by the National Treasury.
- The fourth quarter Procurement Report was discussed and noted.
- The amended Procurement Plan, to include servers and the laptops for staff, was recommended to Council for approval.
- The Travel Management bid was considered by FHLC, as proposed by the Bid Adjudication Committee (BAC) and recommended to Council for approval.
- The HR Report was considered by FHLC. The salary increase of 7.3% for post levels 1-12 was approved. The salary increment of 5% for post levels 13 and above, based on the reviewed policy amendments, be recommended to Council for approval. The skills gap analysis and job evaluation reports were noted and recommended to Council for approval. The changed clauses on the HR policies, stipulated on the mandate for the negotiations were discussed and noted.
- The progress made on the appointment process of the KMIT Manager was noted, with the interim plan to appoint two service providers for IT technical services and IT governance.
- On legal matters, the appeals update was discussed and noted.
- The report on the Active Contracts list was discussed and noted.
- The report on the updated Corporate Governance Consolidated Action Plan was discussed and noted.
- The report on the Social and Ethics Implementation Plan was discussed and noted.
- The Compliance Report was discussed and noted.

A special FHLC meeting was held on 25 May 2017 to discuss the following:

- Deviation to procure servers was considered and recommended to Council for approval.
- The Fixed Term Contracts for the Chief Operations Officer (COO) and CFO were discussed in a closed session.
- An assets disposal request was recommended to Council for approval.

Built Environment Matters Committee

The mandate of the Built Environment Matters Committee (BEMC) is as follows:

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

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

One meeting of the BEMC took place during the quarter on 09 May 2017 where the following were discussed and resolved:

- The Transformation Plan and Progress Report recommended to Council for approval once all the comments from the BEMC have been incorporated. The Transformation Indaba date was confirmed for 29 August 2017.
- The fourth quarter Performance Report was discussed and noted.
- A combined report on the overall Quarter 4 performance was noted, and a report on progress made with unachieved targets will be submitted.
- Project Scopes were considered and accepted in principle for submission of revised projects scopes, as per BEMC's approval template.
- The pilot proposal for Naledi Schools was considered and supported by BEMC. A project scope must be developed for approval.
- SACLAP's proposal for financial assistance was supported, subject to submission of a detailed report to FHLC for consideration.

Meetings of Council

A Council meeting was held on 26 May 2017. The following were discussed and resolved:

- The EXCO Chairpersons Report was noted.
- EXCO's amended Terms of Reference (ToR) was approved, as recommended by EXCO.



- Feedback on former CEO's labour dispute was noted.
- Council noted the opportunity to resubmit IDoW exemption applications.
- The ARC Chairperson's Report was noted. The IT Governance Framework was considered by Council and proposed alignment with King IV before it is tabled for approval at the next Council meeting.
- Council members were requested to assist with submitting SACAP's and SACPCMP's declaration of levies (to avoid delays) for auditing purposes.
- The draft Annual Report was approved as recommended by ARC, subject to confirmation that proposed amendments have been made.
- The FHLC Chairperson's Report was noted.
- The Quarter 4 Expenditure Report was noted.
- The Amended Procurement Plan, to include two servers and 38 laptops, was approved.
- The 2017/18 Budget, as recommended by FHLC, was approved.
- The Travel Management bid, as recommended by FHLC, was approved.
- The deviation from SCM Policy for the procurement of IT servers was considered and approved by Council.
- The salary increment of 5% for post levels 13 and above based on the reviewed policy amendments was approved by Council.
- The job evaluation and skills gap analysis reports were approved by Council.
- Deviation from the procurement process for cabling and telephony, as recommended by FHLC, was approved by Council.
- GTAC's proposal for the appointment of a training consultant in programme management was approved for a six month term, subject to approval of surplus funds by National Treasury.
- The Fixed term contracts of the COO and CFO were discussed in a closed session.
- The Council Preparatory allowance, as recommended by FHLC, was approved by Council.
- Management's proposal to assist SACLAP, as recommended by FHLC, was approved. The contract will be evaluated after a year to determine the cost of the donation.
- The BEMC Chairperson's Report was noted.
- High level feedback on progress on the Transformation Indaba was noted.
- The draft ToR of the Marketing and Communications Committee were noted and referred for further input.
- The Acting CEO's report was noted.
- The Strategic Risk Register was noted. Management was requested to develop a system to manage risks on a day-to-day basis.
- The update on the Consolidated Corporate Governance Action Plan was noted by Council.

- The update on the Social and Ethics implementation plan was noted.
- The Compliance Report was noted, with no specific breaches reported.
- Construction Health and Safety was discussed with proposed action by management.

Vacancies in Council

Currently, there are five vacancies in the CBE Council. Recommendations have been made to the Minister to appoint Council members in these vacancies. The statutory requirement of the Minister filling vacancies within 60 days had not been complied with. Vacancies in the councils for the professions have, similarly, not been filled. Long existing vacancies on Councils do hamper transparent decision-making.

Table 4: Council Committees composition and meetings

| Council Committee | Number of meetings planned | Number of meetings held | Committee membership | Meeting Attendance | |
|-------------------|----------------------------|-------------------------|---|---|---|
| EXCO | | | | 20 Apr 17 | - |
| | 1 | 1 | IM Nkosi (Chairperson) NF Sithole (Deputy-Chairperson) Prof KA Michell Dr ZT Mathe S Thubane (Alternate Member) | Yes Yes Yes Yes Yes | |
| ARC | | | | 19 Apr 17 | 22 May 17 |
| | 1 | 2 | D Coovadia M Mothipe F Docrat NF Sithole A Lee | Yes Yes Yes Yes - | Yes Yes Yes Yes Yes |
| FHLC | | | | 18 May 17 | 25 May 17 |
| | 1 | 1 | Prof KA Michell (Chairperson) ND Lombard JL Margolius A Sassenberg IM Nkosi RS Sefotlho ZC Mvalo | Yes Yes Yes Yes No Yes No | Yes Yes Yes Yes Yes Yes Yes |
| BEMC | | | | 09 May 17 | - |



| Council Committee | Number of meetings planned | Number of meetings held | Committee membership | Meeting Attendance | |
|-------------------|----------------------------|-------------------------|---|---|--|
| | 1 | 1 | Dr ZT Mathe Mr IM Nkosi CA Breed EG Makongwana D Michell C Mtshisa ZC Mvalo RG Sefotlho S Thubane MM Tshangela | Yes Yes Yes No Yes No No Yes No No | |
| Council | | | | 26 May 17 | |
| | 1 | 1 | IM Nkosi (Chairperson) NF Sithole (Dep Chairperson) CA Breed ND Lombard EG Makongwana JL Margolius Dr ZT Mathe D Michell, Mr Prof KA Michell C Mtshisa ZC Mvalo A Sassenberg RG Sefotlho S Thubane MM Tshangela | Yes Yes No Yes Yes Yes Yes Yes Yes No Yes Yes Yes No No | |

Remuneration of Council members

The Minister approved the remuneration rate for Council on 22 January 2013 as Category Classification A2 (Part time members), according to National Treasury prescripts. These have, since, been adjusted on an annual basis.

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

- C Mtshisa



- ZC Mvalo
- MM Tshangela

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

The remuneration paid to Council members appears in the table below:

Table 5: Council Remuneration

| Designation | Per Day | Per Hour |
|--------------------------------|---------|----------|
| Chairperson | R4 174 | R522 |
| Deputy Chairperson | R3 542 | R443 |
| Chairpersons' of Committees | R4 174 | R522 |
| Members of Council/ Committees | R3 279 | R412 |

| Name | Remuneration | Other allowance | Other re-imbursments | Total |
|---------------------------------|--------------|-----------------|----------------------|--------|
| IM Nkosi (Chairperson) | 37 024 | - | 5 963 | 42 987 |
| NF Sithole (Deputy Chairperson) | - | - | - | - |
| CA Breed | 6 432 | - | 418 | 6 850 |
| ND Lombard | 9 648 | - | 877 | 10 525 |
| N Maharaj (Resigned PY) | | - | | |
| EG Makongwana | 6 432 | - | - | 6 432 |
| JL Margolius | 12 864 | - | - | 12 864 |
| Dr ZT Mathe | 3 456 | - | 1 264 | 4 720 |
| T Matunda | - | - | - | - |
| D Michell | 9 648 | - | 1 198 | 10 846 |
| Prof KA Michell | 13 506 | - | 2 395 | 15 901 |



| Name | Remuneration | Other allowance | Other re-imbursements | Total |
|--|--------------|-----------------|-----------------------|--------|
| C Mtshisa | - | - | - | - |
| ZC Mvalo | - | - | - | - |
| A Sassenberg | 6 432 | - | 9 447 | 15 879 |
| RG Sefotlho | 12 864 | - | 1 088 | 13 952 |
| AA Steyn (Resigned PY) | - | - | - | - |
| S Thubane | 6 432 | - | - | 6 432 |
| MM Tshangela | - | - | - | - |
| D Coovadia (Audit Committee External Member) | 28 060 | - | 2 468 | 30 528 |
| M Mothipe (Audit Committee External Member) | 22 448 | - | 169 | 22 617 |
| F Docrat (Audit Committee External Member) | 22 448 | - | 1 223 | 23 671 |

3.5 RISK MANAGEMENT

Risk management forms a central part of the CBE's strategic management with the task of identification, assessment, management and monitoring of risks across the organisation. This exercise has been performed by the CBE internal audit function, OMA, to support the ARC.

In line with good governance, risk management and planning is emphasised to be an element for which the Accounting Authority is directly responsible. Risk Management is also a compliance requirement, as per the PFMA.

During the period under review the strategic and operational risk registers, with action plans, were submitted to ARC and EXCO respectively. These documents will be distributed regularly to all relevant governance structures on a quarterly basis, for the monitoring of action plans thereof.

3.6 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT

During the quarter under review, the AGSA commenced with the final audit for 2016/17 financial year. The audit covered all areas within the CBE viz. performance information, finance, SCM, IT



and HR. The audit is still underway and it is anticipated that the audit report would be released in the upcoming quarter.

The audit steering committee meetings, which comprise of CBE management and AGSA representatives, are held weekly to track the audit progress. The audit is in progress with the planning phase completed, and it is anticipated that the audit will be finalised in the first quarter (ending June 2017). The audit report is expected to be released in the second quarter (ending September 2017).

3.7 INTERNAL AUDIT

Internal Audit Function

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

The CBE has appointed new internal auditors, O.M.A Chartered Accountants (OMA), effective from 1 April 2017. Their three-year rolling strategy, as well as the annual internal audit plan, will be submitted to the upcoming ARC meeting.

3.8 COMPLIANCE WITH LEGISLATION AND PROCEDURES

The ARC monitors CBE's legal compliance. Management presents a compliance report to the ARC, FHLC and Council on a quarterly basis.

3.9 FRAUD AND CORRUPTION

The entity focuses on the implementation of an up-to-date fraud prevention plan, a requirement set out in Section 3.2.1 of Treasury Regulations.

During the quarter under review, no incidents were reported. A preliminary investigation by an appointed service provider on a reported incident in the last quarter of 2016/17 is still underway. It is anticipated that this process will be finalised in the upcoming quarter. A fraud and corruption awareness workshop was held with staff.



The contract with the service provider manning the fraud hotline has expired. The appointment process to procure a new service provider, for a period of 3 years, is still underway.

3.10 MINIMISING CONFLICT OF INTEREST

Declaration of interest registers were presented at all meetings of the Council and its Committees during the quarter. Special declaration forms relating to the Code of Conduct were circulated to senior executives and all employees involved in the SCM process.

3.11 CODE OF CONDUCT

The code of conduct policy of the organisation is circulated on an annual basis as a reminder and to solicit declaration of interest. A greater percentage of employees have signed and returned these declarations.

3.12 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

The organisation relocated to the new office building at the end of March 2017.

Introductory meetings were held with building management to appraise the employees on health and safety procedures. The first evacuation drill was held in May 2017.

Health and safety awareness posters were displayed throughout the building. Wellness articles were circulated on a monthly basis covering topics such as hair loss, medical conditions, blood type awareness, modern lifestyles and addictions, as well as other wellness awareness topics.

Flu prevention was the main focus on the Wellness Day held in May 2017. Flu vaccines were also administered to interested staff members.

3.13 TRAINING AND DEVELOPMENT

Educational assistance continued for staff members registered with accredited institutions.

The 2017/18 Training Plan has been drafted based on the skills analysis report. It will be finalised in alignment with the training identified in employee learning plans. Training sessions will commence on the 10 July 2017.

3.14 SUPPLY CHAIN MANAGEMENT



The table below indicates the total procurement spend on historically disadvantaged individuals (HDI) share as 57%. White males account for 38%, and 5% of spend is attributable to state owned entities. The CBE will continuously endeavour to increase its HDI percentage.

Table 6: Procurement

| Procurement Details | Procurement for the 1 st Quarter ending June 2017 | | | | | |
|-----------------------------|--|------------|----------------------|-------------|----------------------|--------------------------|
| | Procurement | | Contractual Amount | | Totals | Procurement distribution |
| | R | Percent | R' | Percent | R' | Percent |
| HDI | R238 694.49 | 40 | R1 897 656.20 | 60 | R2 136 350.69 | 57 |
| Women | R 108 760.77 | 18 | R 1 173 987.99 | 37 | R1 282 748.76 | 34 |
| Black Male | R 129 933.72 | 22 | R 723 668.21 | 23 | R853 601.93 | 23 |
| | | | | | | |
| White Male | R159 224.66 | 27 | R 1 242 668.87 | 40 | R1 401 893.53 | 38 |
| | | | | | | |
| State owned entities | R 193 892.91 | 33 | 0.00 | 0 | R193 892.91 | 5 |
| | | | | | | |
| Totals | R591 812.06 | 100 | R3 140 325.07 | 100% | R3 732 137.13 | 100 |



PART C
PERFORMANCE
INFORMATION



4. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

CBE implemented its 2017/18 first quarter APP through five Programmes. The composition of the Programmes has changed. The Administration component from the former Programme 1 (Government Policies and Priorities) now stands alone in a 'revised' Programme 1. The Government Policies and Priorities component of the former Programme 1 now stands alone in a 'new' Programme 5. Programmes 2, 3 and 4 remain as they were. Therefore, the revised Programmes are:

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

4.1 Programme 1: Administration

The administrative function provides support to the entire CBE, thus contributing directly and indirectly to the delivery of all strategic outcome oriented goals. The focus areas are the Information Communications Technology (ICT) and financial support services. IT will continue to develop and deliver systems that are user-friendly and meet expectations of users. CBE is planning for an unqualified opinion, with no findings (clean audit). A financially unqualified opinion with no findings, commonly known as a clean audit opinion, is unqualified financial statements with no reported audit findings, in respect of either reporting on predetermined objectives or compliance with key legislation.

To achieve the above, Administration's targets for the first quarter are the following:

*4.1.1 Presentation of the IT Governance Policy and its Implementation Guide to CBE Management- **Achieved.***

This target is to enable and support CBE's business through policy and procedures, ICT infrastructure and Knowledge Management systems (electronic records, document management systems and archiving) that are compliant with the IT governance policy framework.



The target was achieved. An IT Governance Policy in the form of a framework was developed and presented to CBE Management on 27 June 2017. Priority areas in the policy were identified and will be implemented during the financial year.

*4.1.2 Issue and evaluate a request for proposals for Wide Area Network (WAN) upgrade and Implementation of IT Disaster Recovery Plan - **Achieved.***

The target is to deliver business enabling ICT projects. The target was achieved. The required request for proposals was issued, received and evaluated. Service Providers (XDSL and Bitech Africa) were appointed to render the required services.

4.2 Programme 2: Skills for Infrastructure Delivery

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

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

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

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

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

For the 2017/18 APP, Programme 2 has six quarterly targets. All targets were achieved. The targets for the first quarter performed as follows:

*4.2.1 First draft of an implementation plan developed for two categories of high demand professions in support of Landscape Architecture and Property Valuer professionals – **Achieved.***

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

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

The first draft implementation plan, in the form of a 21 Step Project Process Plan for two categories of high demand professions implementation plans, was developed in support of Landscape Architecture and Property Valuer professionals for the SIPs. The plan was provisionally discussed with the two respective CBEP Registrars during the first quarter, and formal consultation on the draft implementation plan will be conducted during the second quarter.

As part of the implementation of the project, the CBE attended an Intermediate Body meeting on 28 June 2017 on expanding the BE professions in all nine Provinces. There was positive reception to this proposal.

*4.2.2 Baseline results of the 150 learners - **Achieved.***

This project aims to increase the number of disadvantaged learners who can benefit from improved Maths and Science results to afford them opportunities to enter BE careers. The CBE aims to accomplish this through partnerships with credible service providers, capable of delivering improved Maths and Science results in rural areas.

150 grade 11 and 12 learners were registered in the Provinces of Eastern Cape and Free State to participate in the CBE Maths and Science support programme, rolled out in the Port Elizabeth and Bloemfontein Education Districts respectively. The required baseline examination results, for all



learners, were submitted timeously to CBE in accordance with the signed Memorandum of Agreement (MoA).

4.2.3 25 Candidates/BE graduates placed into the structured candidacy programme - **Achieved.**

For the current financial year the CBE identified a substantial number of candidates for this programme. Partnerships have been forged with the Eastern Cape Department of Roads and Public Works, National DPW, Free State Regional Office and the Independent Development Trust to support them with structured candidacy and mentors where departments have no registered mentors.

In the first quarter, 30 candidates were placed in the Structured Candidacy programme.

Available information and statistics relating to the applicants is shown in the table below. The placement of 25 candidates as per the first quarter target was achieved and exceeded.

Table 7: Candidate Applicants for 2017/18

| INFORMATION AND STATISTICS OF 2017/18 CANDIDATE APPLICANTS | | |
|--|-----------|------------|
| CRITERIA | NUMBER | PERCENTAGE |
| GENDER | | |
| Female | 12 | 40 |
| Male | 18 | 60 |
| Total | 30 | 100 |
| RACE | | |
| African | 30 | 100 |
| Indian | 0 | 0 |
| Coloured | 0 | 0 |
| White | 0 | 0 |
| Total | 30 | 100 |
| CBEP | | |
| ECSA | 9 | 30 |
| SACPCMP | 10 | 33 |



| | | |
|--------------------------------|-----------|------------|
| SACQSP | 5 | 17 |
| SACAP | 6 | 20 |
| Total | 30 | 100 |
| GOVERNMENT INSTITUTIONS | | |
| DRPW (Eastern Cape) | 25 | 83 |
| NDPW (Free State) | 5 | 17 |
| IDT | 0 | 0 |
| Total | 30 | 100 |

*4.2.4 100 Interns placed in work integrated learning – **Achieved.***

The aim of this project is to collaborate with Universities of Technology (UoTs) to place students who need to complete work integrated learning (WIL) in order to graduate. The target was achieved and exceeded. 152 interns, which is 52 more than projected, were placed. Work placement of an additional 20 interns has been secured to start in the second quarter.

In March 2017, the Construction Education and Training Authority (CETA) awarded CBE a WIL discretionary grant for 50 learners for R1.8 million. This grant paved the way to place 50 additional interns. The inductions and intern verifications will take place in the second quarter.

*4.2.5 Report on compliance on the 19 CHE accreditation criteria during the accreditation visits - **Achieved.***

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

The requirements for this project are:

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



The councils for the professions are statutorily required to accredit built environment programmes in a five year cycle. The CBE plays an oversight role to ensure that accreditation complies with the prescripts, principles and the requirements of legislation, and is undertaken in accordance with the Councils' accreditation policies.

The target was achieved. The required oversight report for accreditations conducted during quarter one was developed as per the table below.

Table 8: Learning Programmes evaluated

| CBEP | Institution | Qualification | Accreditation outcome |
|---------|---|---|--|
| SACAP | University of Free State (UFSP) | BSc Arch: BSc Arch (Hons) M. Arch (Prof) | All three learning programmes received full accreditation. |
| | Namibia University of Science and Technology (NUST) | BSc Arch BSc Arch (Hons) | Both learning programmes were accredited. |
| SACPVP | University of Cape Town (UCT) | BSc Prop Studies BSc Prop Man (Hons) MSc Prop Man | All three learning programmes were accredited. |
| SACPCMP | University of Johannesburg (UJ) | N. Dip Building Sc B. Tech Cons Man | Both learning programmes were accredited. |
| | Witwatersrand University | BSc Cons Man BSc Cons Man (Hons) MSc. Cons Man | All three learning programmes were accredited. |
| | Central University of Technology (CUT) | N. Dip Build Sc B. Tech Cons Man | Both learning programmes accredited. |
| | Tshwane University of Technology (TUT) | N. Dip Building Sc B. Tech Cons Man | Both learning programmes were accredited. |

4.2.6 Three Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework - **Achieved.**

The CBE introduced the Structured Candidacy Framework with the aim of ensuring that built environment candidates achieve maximum professional development and professional registration in the shortest possible time by:



- Workplace assessment and accreditation.
- Drawing up a generic training plan for the profession, in alignment with the CBEP competency profile.
- Drawing up detailed training plans per candidate.
- Training mentors to do formative assessment of each outcome according the South African Qualifications Authority (SAQA) requirements viz. NQF Registered Unit Standard 115753 on how to conduct outcomes-based assessment.

The target was achieved. During the quarter, three Provincial Public Works Departments were engaged on the implementation of the CBE Structured candidacy Framework. These were the Provincial Public Works Departments of KZN, Free State and Eastern Cape.

4.3 Programme 3: Built Environment Research, Information and Advisory

The strategic objective of Programme 3 is for CBE to provide informed and researched advice to Government on BE priority matters identified in the Medium Term Strategic Framework (MTSF).

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

- Section 3 (d) facilitate participation by the built environment professions in integrated development in the context of national goals;
- Section 3 (e) promote appropriate standards of health, safety and environmental protection within the built environment; and
- Section 4 (a) advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary.

It is contributing to the following outcomes of the DPW:

Direct outcomes

- Outcome 4 – decent employment through inclusive growth (Chapter 3 of the NDP [National Development Plan]);
- Outcome 6 – an efficient, competitive and responsive economic infrastructure network (Chapter 4 of the NDP); and
- Outcome 12 – an efficient, effective and development orientated public service (Chapter 13 of the NDP).



Indirect outcomes

- Outcome 8 - sustainable human settlements and improved quality of household life (Chapter 8 of the NDP); and
- Outcome 10 - protect and enhance our environmental assets and natural resources (Chapter 5 of the NDP).

For the 2017/18 APP, Programme 3 has three quarterly targets. All the targets were achieved. The targets for the first quarter performed as follows:

*4.3.1 Approved concept document outlining initiatives – **Achieved.***

The project is based on the performance indicator of the number of reports on initiatives programmes to support technical capacity within the state. This target is linked to performance indicator 2.6, which is: the number of municipal, provincial and national departments and SOEs supported on their BE technical capacity based on the researched initiatives. Documenting the initiatives to support infrastructure skills within the government is necessary to enable the CBE to develop best practices that might be adopted by other infrastructural service providers, including the municipalities. The concept document developed is to guide the collation of information from key stakeholders to allow for information sharing and adoption of best practices.

*4.3.2 Research Terms of Reference (on the municipalities state of readiness of to implement the SIPDM) approved – **Achieved.***

This project is part of the formalised partnership between the CBE and the Office of the Chief Procurement Officer (OCPO) of National Treasury on the implementation of the SIPDM. The SIPDM obliges departments and municipalities to involve professionally registered BE practitioners during the conceptualisation, delivery and completion of projects. The implementation of the SIPDM creates an enabling environment for the attraction and retention of registered built environment practitioners in government. Implementing the SIPDM paves the way for registered practitioners, employed by the State, to perform work related to their professions. In addition, it compels all technical officials in the employ of the State to register with the respective councils for the professions, which by default increases registration numbers whilst contributing to transformation in the built environment.

The main objective of the project is to assess the state of readiness of municipalities to implement the SIPDM.



The project objectives are therefore to:

1. Establish the availability of requisite BEP skills, as prescribed by the SIPDM, within the selected municipalities.
2. Establish the existence of individuals with built environment qualifications but have not registered with CBEP.
3. Identify existing processes and legislative frameworks that can be utilised to ensure sustainable technical capacity within municipalities.

The target for the quarter was to develop and approve the ToR for the project. The ToR was developed and approved internally. It will further be circulated to BEMC for noting. Due to capacity constraints within the department, the project will be delivered through the assistance of an external service provider, to be appointed during the first month of the second quarter.

4.3.3 Research Terms of Reference (for the analysis of the impact of CBE's Maths and Science support programmes focusing on the built environment) *approved – **Achieved***.

The main objective of this project is to review and assess the impact of CBE's Maths and Science support programme implemented in various Provinces. The assignment should further highlight any gaps and opportunities in the programme.

The specific objectives of the project are to:

- Assess the impact of the CBE Maths and Science support programme in improving the results of learners at each school;
- Identify the number of students from the programme who are undertaking BE qualifications;
- Assess the impact of the CBE programme from the perspective of the Provincial Departments of Education, the teachers and the school in general
- Assess overall value add of the programme, while highlighting any shortcomings. This should include a comparative analysis of the various provinces.
- Select one similar programme elsewhere to compare level of impact and value for money.

During the quarter, the project scope and ToR were developed and approved internally. Due to departmental capacity constraints, the project will be undertaken with the assistance of an external service provider, to be appointed in the first month of the second quarter.



4.4 Programme 4: Regulation and Oversight of six BEPCs

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

This Programme is responding to mandates of Sections 20 and 21 of the CBE Act

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

For the 201/18 APP, Programme 4 has six quarterly targets. Three targets were achieved and three were not achieved. The targets for the first quarter performed as follows:

*4.4.1 Quarterly Report on the compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days – **Achieved***

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

The target was achieved. One appeal, scheduled for hearing in the quarter, was decided within the prescribed period of 60 days.

*4.4.2 Prepare the first draft of the IDoW Action Plan – **Achieved***

CBE is impelled by its enabling legislation to identify the scope of work that can only be performed by persons registered in an appropriate category, after consulting with the CC, and in consultation with the six CBEP.



The objective of this project 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 had demonstrated possessing the required competence and academic qualifications), perform work in the built environment. This will be fulfilled through promulgating regulations that identifies the scope of work to be performed by persons registered by a council for the professions.

The target was achieved. A draft action plan was developed to consult the CC on:

- Aligning the IDOW policy with the provisions of the Competition Act, and
- Analysing the various regulatory frameworks which operates in the built professional environment to distinguish the aims of the IDoW policy from existing regulatory frameworks.

*4.4.3 Review CBE's Corporate Governance Framework with the King IV principles of Corporate Governance – **Achieved.***

This target is rooted in Section 3 (f) of the CBE Act, which impels the CBE to promote sound governance in the CBEP.

The target was achieved. The comparison of the CBE Corporate Governance Framework with the King IV Report on Corporate Governance for South Africa (King IV) revealed the need to review and draft a new Corporate Governance Framework.

*4.4.4 Two BEPCs assessed on the alignment of their Policies with the seven (ministerial approved) Policy Frameworks - **Partially Achieved.***

One of the CBE's mandates is to ensure the uniform and consistent application of norms and guidelines by the CBEP. Thirteen concurrent functions were identified, requiring alignment of policies between the CBEP, the CBE and DPW.

This project seeks to ensure that there is consistent application of norms and guidelines and that BEPCs align their policies with the policy frameworks approved by the Minister and where applicable promulgate rules to give effect to the policies.

The target was not achieved. Two CBEP (SACLAP and SACPCMP) were assessed on the alignment of their policies with the seven (ministerial approved) Policy Frameworks. Six out of seven policies were assessed. The outstanding policy, on accreditation, will be assessed by the end of July 2017. The assessment indicates that policies have not been adopted in certain areas. The assessment outcomes will be shared with CBEP.



*4.4.5 A workshop on the applicability of the PFMA as a mechanism to enhance governance to the BEPCs and their capacity to comply - **Not Achieved.***

The DPW circa 2012 required the six councils for the built environment professions to develop roadmaps towards compliance with the PFMA as a mechanism to enhance good governance. The six CBEP are not listed as entities to comply with the PFMA, contradicting the 2012 requirement and the provisions of the PFMA. The objective of this project is to ensure the CBEP apply good governance principles, entrenched in the PFMA, in their business operations.

The target was not achieved. The required workshop was not held by the end of the first quarter. Preparatory discussions with DPW and National Treasury as the main participants are underway to develop an effective approach to the workshop.

*4.4.6 An assessment report on the level of compliance of the six BEPCs with the Strategic Plan and APP of the CBE and DPW, and the development of a compliance roadmap - **Not achieved.***

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

The target was not achieved. The councils for the professions did not submit their APPs to CBE. Their challenge lies in obtaining the necessary approval from their Councils prior to submission. The issue of non- submission will be tabled at the next Registrars Forum. The CBEP will be consulted individually in the second quarter to address non-submission.

4.5. Programme 5: Government Policies and Priorities

The strategic objective of Programme 5 is to ensure that BE academic curricula and Continuous Professional Development (CPD) programmes embody health and safety in construction; environmental sustainability; job creation through labour intensive construction and the IDMS.



*4.5.1 Concept document on the incorporation of health and safety, sustainability, labour intensive construction and the IDMS into BE academic curricula developed - **Achieved.***

The BE academic curricula are to include adequate coverage of the following subject matters:

- (1) Health and Safety in construction
- (2) Environmental sustainability
- (3) Job creation through labour intensive construction
- (4) The IDMS and SIPDM.

This Programme's focus is to develop an implementation plan to facilitate the incorporation of the said subjects in the built environment curricula in all tertiary institutions.

The target was achieved. The concept document was developed, based on the recommendations of the baseline study undertaken during the 2016/17 financial year. The purpose of this implementation plan is to engage key role players to influence changes in the BE curricula at tertiary institutions.

*4.5.2 ToR and proposed plan developed and approved for implementation (benchmarking study on transformation best practice) – **Achieved.***

The main objective of this assignment is a benchmarking study, which entails an analysis of transformation strategies as conceptualised and implemented by sectors, other than the built environment. The analysis should highlight regulatory functions equivalent to the function of the CBE, the CBEP and other key role players in driving transformation. The specific objectives will therefore be to analyse:

1. The conceptualisation of transformation in the selected sectors for benchmarking.
2. The implementation of transformation strategies within the selected sectors.

The target for the quarter was achieved. The ToR was developed and approved. An indicative plan was developed, which will be finalised once the service provider has been appointed.



PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

Programme 1: Administration

The strategic objective of Programme 1 is to ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE.

| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure | % Variance | Corrective Action in case of poor spending |
|---|--|--|--|---------------|---|--|-------------------------------------|-------------------|------------------|--------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | |
| | | | | | | | | | R'000 | | | |
| | | | | | | | | | R'000 | | | |
| 1.1 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE. | To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE. | Implemented ICT Governance processes as per DPSA guidelines. | IT Governance Framework, in line with DPSA Corporate Governance of ICT Policy Framework, implemented by 31 March 2018. | 124 | Presentation of the IT Governance Framework and its Implementation Guide to CBE Management. | Achieved The IT Governance Framework was presented to CBE Management on 27 June 2017. | N/A | N/A | 0 | 0 | 0 | N/A |



| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure R'000 | % Variance | Corrective Action in case of poor spending |
|---|--|-----------------------------------|--|---------------|---|--|-------------------------------------|-------------------|---------------------------|-----------------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget R'000 | | | |
| | | | | | | | | | | | | |
| 1.2 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE. | To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE. | Approved ICT Implementation Plan. | ICT Plan implemented by 31 March 2018. | 0 | Issue and evaluate the Request for Proposals for Wide Area Network (WAN) upgrade and implementation of IT Disaster Recovery Plan. | Achieved The required request was issued and evaluated. Service providers were appointed. | N/A | N/A | 0 | 0 | 0 | N/A |
| 1.3 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE. | To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE. | Clean audit strategy. | Unqualified audit report For 2016/17. | 0 | No target. | N/A | N/A | N/A | 0 | 0 | 0 | N/A |



Programme 2: Skills for Infrastructure Delivery

The strategic objective of Programme 2 is to drive and facilitate skills development and transformation within the BE. It contains the flagship programmes that will drive the implementation of the Transformation Implementation Model of the CBE, together with the Workplace Training Model.

| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure | % Variance | Corrective Action in case of poor spending |
|---|---|--|---|---------------|-------------------------------------|--|-------------------------------------|-------------------|------------------|--------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | |
| | | | | | | | | | R'000 | | | |
| 2.1 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs. | Drive and facilitate skills development and transformation within the BE. | Number of implementation plans for high demand skills professions categories developed for SIPs. | Two categories of high demand professions implementation plans developed in support of Landscape Architects and Property Valuers professionals for the SIPs by 31 March 2018. | 104 | First draft of Implementation plan. | Achieved The implementation plan was developed in the form of a 21 Step Programme Process Plan. | N/A | N/A | 0 | 0 | 0 | N/A |



| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | | % Variance | Corrective Action in case of poor spending |
|---|---|---|---|---------------|--|---|-------------------------------------|-------------------|------------------|--------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | Actual Expenditure | | |
| | | | | | | | | | R'000 | R'000 | | |
| 2.2 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs. | Drive and facilitate skills development and transformation within the BE. | Number of learners enrolled in the Maths and Science support programme. | 150 Grade 12 learners enrolled in the Maths and Science support programme by 31 March 2018. | 1 124 | Baseline results of the 150 learners. | Achieved The Base line exam results of the grade 11 and 12 learners were received. | N/A | N/A | 0 | 0 | 0 | There was a delay from the supplier to submit the invoice for the second milestone and the invoice was received after the quarter ended. |
| 2.3 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs. | Drive and facilitate skills development and transformation within the BE. | Number of candidates/ BE graduates placed for workplace training. | 50 new Candidates /BE graduates in workplace training by 31 March 2018. | 2 178 | 25 Candidates/B E graduates placed for workplace training. | Achieved | N/A | N/A | 0 | 0 | 0 | There was a delay in the submission of invoices from the mentors which has now been received. |



| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure R'000 | % Variance | Corrective Action in case of poor spending |
|---|---|---|---|---------------|--|--|-------------------------------------|-------------------|---------------------------|-----------------------------|------------|---|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget R'000 | | | |
| | | | | | | | | | | | | |
| 2.4 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs. | Drive and facilitate skills development and transformation within the BE. | Number of interns placed for workplace training. | 100 Interns placed for work integrated learning by 31 March 2018. | 3 324 | 100 Interns placed in work integrated learning. | Achieved 152 interns placed. | 52 additional interns were placed. | N/A | 0 | 0 | 0 | One institution with the biggest number of interns submitted proof later than was anticipated and the invoice was only paid in the following quarter. |
| 2.5 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs. | Drive and facilitate skills development and transformation within the BE. | Number of oversight reports of BEPCs' Accreditation of BE Academic Programmes | One oversight report on the Accredited Academic Programmes by the BEPCs by 31 March 2018. | 228 | Report on compliance on the 19 CHE accreditation criteria during the accreditation visits. | Achieved An oversight report on the compliance with the required legislative standards for accreditation was completed. | N/A | N/A | 0 | 0 | 0 | Some accreditation visits were only scheduled towards the end of the quarter and the payment terms with the travel management company is 30 days. The expenditure will therefore only be reflected in the next quarter. |



| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure | % Variance | Corrective Action in case of poor spending |
|---|---|---|--|---------------|--|-------------------------------|-------------------------------------|-------------------|------------------|--------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | |
| | | | | | | | | | R'000 | | | |
| 2.6 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs. | Drive and facilitate skills development and transformation within the BE. | Number of municipal, provincial and national departments and SOEs supported on their BE technical capacity based on the researched initiatives. | Nine Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2018. | 190 | Three Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework. | Achieved | N/A | N/A | 0 | 0 | 0 | N/A |



Programme 3: BE Research, Information and Advisory

The strategic objective of Programme 3 is to provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.

| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly Targets and Actuals | | | | | | % Variance | Corrective Action in case of poor spending |
|--|--|---|--|---------------|--|---|-------------------------------------|-------------------|------------------|--------------------|------------|--|
| | | | | | Quarterly performance Target | Actual | Deviation from the Quarterly target | Corrective action | Quarterly budget | Actual Expenditure | | |
| | | | | | Q1 | Q1 | | | R'000 | R'000 | | |
| 3.1 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions. | Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF. | Number of reports on initiatives and programmes to support technical capacity within the State. | Report on initiatives to support infrastructure skills within Government by 31 March 2018. | 0 | Approved concept document outlining initiatives. | Achieved CBE has developed a Concept Document outlining the initiatives. | N/A | N/A | 0 | 0 | 0 | N/A |
| 3.2 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions. | Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF. | Number of research reports on the state of readiness by municipalities to implement the SIPDM. | One research report on state of readiness of municipalities to implement the SIPDM by 31 March 2018. | 364 | Research ToR approved. | Achieved | N/A | N/A | 0 | 7 | 0 | The travel expenditure incurred was higher than what was budgeted due to the timing of the visits. |



| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure | % Variance | Corrective Action in case of poor spending |
|--|--|---|---|---------------|------------------------------------|-------------------------------|-------------------------------------|-------------------|------------------|--------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | |
| | | | | | | | | | R'000 | | | |
| 3.3 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions. | Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF. | Number of research reports on analysis of the impact of built environment skills development initiatives. | Research report on analysis of the impact of CBE's Maths and Science support programmes focusing on built environment by 31 March 2018. | 383 | Research ToR approved. | Achieved | N/A | N/A | 0 | 0 | 0 | N/A |



Programme 4: Regulation and Oversight of six BEPCs

The strategic objective of Programme 4 is to ensure that the CBE acts as an appeal body on matters of law regulating the BEPs, and to promote sound governance of BEPs

| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure R'000 | % Variance | Corrective Action in case of poor spending |
|---|--|---|---|---------------|--|--|-------------------------------------|-------------------|------------------|-----------------------------|------------|---|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | |
| | | | | | | | | | R'000 | | | |
| 4.1 BEPs who operate within a regulated policy and legislative framework. | Act as an appeal body on matters of law regulating the BEPs, and promote and ensure high standards of professional ethics within the BE. | Percentage of submitted appeals against decisions of CBEP finalised within the statutory period of 60 days. | 100% Finalisation of appeals within the statutory 60 days by 31 March 2018. | 268 | Quarterly Report on the compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days. | Achieved Compliance report was developed. One appeal was conducted. | N/A | N/A | 0 | 1 | 100% | Timing of the appeals cannot be reliably measured. Only one appeal was received during this quarter. |
| 4.2 BEPs who operate within a regulated policy and legislative framework. | Promote and ensure high standards of professional ethics within the BE. | Implementation report on the IDoW Action Plan. | Develop an IDoW Action Plan approved by Council by 31 March 2018. | 949 | Prepare the first draft of the IDoW Action Plan. | Achieved The Plan was developed. | N/A | N/A | 236 | 100 | 57.6% | The timing of the legal fees incurred cannot be estimated reliably and this resulted in an under-expenditure. |



| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure | % Variance | Corrective Action in case of poor spending |
|---|---|--|--|---------------|--|---|-------------------------------------|-------------------|------------------|--------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | |
| | | | | | | | | | R'000 | | | |
| 4.3 BEPs who operate within a regulated policy and legislative framework. | Promote and ensure high standards of professional ethics within the BE. | Reviewed Corporate Governance Framework approved by Council. | Reviewed and aligned CBE Corporate Governance Framework to the King IV principles of Corporate Governance, and approved by Council by 31 March 2018. | 28 | Review CBE's Corporate Governance Framework with the King IV principles of Corporate Governance. | Achieved The Framework was reviewed. | N/A | 0 | 0 | 0 | N/A | N/A |



| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure | % Variance | Corrective Action in case of poor spending |
|---|---|--|--|---------------|--|-------------------------------|---|---|------------------|--------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | |
| | | | | | | | | | R'000 | | | |
| 4.4 BEPs who operate within a regulated policy and legislative framework. | Promote and ensure high standards of professional ethics within the BE. | An Assessment report on the six CBEP Policies alignment with the seven (ministerial approved) Policy Frameworks. | An Assessment Report on the six CBEP Policies alignment with the seven (ministerial approved) Policy Frameworks, submitted to DPW, by 31 March 2018. | 0 | Two BEPCs assessed on the alignment of their Policies with the seven (ministerial approved) Policy Frameworks. | Partially Achieved | Six out of seven policies were assessed . | Assessment report will be finalised by end of July. | 0 | 0 | 0 | N/A |
| 4.5 BEPs who operate within a regulated policy and legislative framework. | Promote and ensure high standards of professional ethics within the BE. | Percentage of the PFMA workshop outcomes implemented. | 50 Percent of the PFMA workshop outcomes implemented by 31 March 2018. | 5 | A workshop on the applicability of the PFMA as a mechanism to enhance governance to the BEPCs and their capacity to comply | Not Achieved | Workshop was not held. | Workshop will be held in August. Pre-workshop discussions with NT and DPW officials required. | 5 | 0 | (100%) | Workshop will only be held in August and then the budgeted amount will be spent. |



| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | % Variance | Corrective Action in case of poor spending | |
|---|---|--|---|---------------|---|-------------------------------|--|--|------------------|------------|--|--------------------|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | Actual Expenditure |
| | | | | | | | | | R'000 | | | |
| 4.6 BEPs who operate within a regulated policy and legislative framework. | Promote and ensure high standards of professional ethics within the BE. | Number of Strategic Plans, APPs and Annual Reports of the six CBEP submitted to CBE and DPW. | Six BEPCs Strategic Plans, APPs and Annual Reports submitted to DPW by 31 March 2018. | 0 | An assessment report on the level of compliance of the six BEPCs with the Strategic Plan and APP of the CBE and DPW, and the development of a compliance roadmap. | Not achieved | CBEP have not submitted their APP to CBE. Their challenge lies in obtaining the necessary approval from their Council prior to submission. | The issue of non-submission will be tabled at the next Registrar's Forum. The CBEP will be consulted individually in the second quarter to address non-submission. | 0 | 0 | 0 | N/A |

Programme 5: Government Policies and Priorities

The strategic objective of Programme 5 is to ensure that BE academic curricula and CPD programmes that embody the subject areas of:

1. Health and safety in construction
2. Environmental sustainability
3. Job creation through labour intensive construction



4. the IDMS and SIPDM

| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure | % Variance | Corrective Action in case of poor spending |
|---|--|---|--|---------------|------------------------------------|-------------------------------|-------------------------------------|-------------------|------------------|--------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | |
| | | | | | | | | | | | | |
| 5.1 A BE that is responsive to the developmental and economic priorities of Government. | BE academic curricula embody issues of health and safety in construction, environmental sustainability and job creation through labour intensive construction as well as IDMS and SIPDM. | Number of implementation plans incorporating new knowledge in BE curricula. | Implement ation plan to incorporate health and safety, sustainability, labour intensive construction and the IDMS and SIPDM into BE academic curricula by 31 March 2018. | 0 | Concept document developed. | Achieved | N/A | N/A | 0 | 0 | 0 | N/A |



| Strategic Goal | Strategic Objective | KPIs | Annual Target | Annual Budget | Quarterly performance Target Q1 | Quarterly Targets and Actuals | | | | Actual Expenditure | % Variance | Corrective Action in case of poor spending |
|---|---------------------|---|---------------|---|--|-------------------------------|-------------------------------------|-------------------|------------------|--------------------|------------|--|
| | | | | | | Actual Q1 | Deviation from the Quarterly target | Corrective action | Quarterly budget | | | |
| | | | | | | | | | R'000 | | | |
| 5.2 A BE that is responsive to the developmental and economic priorities of Government. | | Number of research reports to inform CBE's Transformation Strategy. | 406 | Bench marking Study on Transformation best practice by 31 March 2018. | ToR and proposed Project Plan developed and approved for implementation. | Achieved | N/A | N/A | 0 | 0 | 0 | N/A |



PART D
EXPENDITURE
REPORT

| | Programme | Actual (Apr to Jun) | Budget (Apr to Jun) | Variance (Apr to Jun) | Variance % | Actual (Apr to Mar) | Budget (Apr to Mar) | Variance (Apr to Mar) | Variance % |
|--------------------------|-----------|------------------------|------------------------|--------------------------|---------------|------------------------|------------------------|--------------------------|---------------|
| Revenue | 1 | 24 469 | 24 697 | (228) | (0.9) | 24 469 | 52 229 | 27 760 | (53.0) |
| | 2 | - | - | - | - | - | - | - | - |
| | 3 | - | - | - | - | - | - | - | - |
| | 4 | - | - | - | - | - | - | - | - |
| | 5 | - | - | - | - | - | - | - | - |
| Total revenue | | 24 469 | 24 697 | (228) | (0.9) | 24 469 | 52 229 | 27 760 | (53.0) |
| Expenditure | 1 | 9 653 | 9 953 | 300 | 3.01 | 9 653 | 41 278 | 31 625 | 76.61 |
| | 2 | 825 | 1 772 | 947 | 53.44 | 825 | 8 690 | 7 865 | 90.51 |
| | 3 | 118 | 53 | (65) | (124.71) | 118 | 1 011 | 893 | 88.33 |
| | 4 | 101 | 241 | 140 | 58.04 | 101 | 1 250 | 1 149 | 91.90 |
| | 5 | - | - | - | - | - | - | - | - |
| Total expenditure | | 10 697 | 12 019 | 1 322 | 10.99 | 10 697 | 52 229 | 41 532 | 79.51 |



Revenue

The revenue consists mainly of the Parliamentary Grant funding received from DPW. It was received as budgeted. The unfavourable variance for the quarter is due to the difference in the timing of the expected BEPC levies. The unfavourable variance of 0.9% for the year to date is due to an under-collection of interest on the investment account.

Expenditure

The variances on expenditure were as follows:

Programme 1: There was a favourable variance of R300k (3.01%) due to cost saving strategies implemented, as well as a delay in the appointment of some senior vacant positions.

Programme 2: There was a favourable variance of R947k due to the timing of mentorship costs for the structured candidacy project. This expense will be incurred throughout the year.

Programme 3: There was an unfavourable variance of R65k (-124.71%) for the quarter under review, mainly due to the phased expenditures of travel and accommodation and CBE events that differed to budget.

Programme 4: There was under expenditure resulting in a favourable variance of R140k (58.04%), due to under-expenditure in consulting fees. The reason for the under-expenditure is mainly due to Appeals Committee and publication cost which were underspent due to the appeals that were received in the period and the timing of the budgeted costs which cannot be determined accurately.

PART E
**HUMAN RESOURCE
EXCEPTION REPORT**

Recruitment and Selection

Appointments were finalised for the positions of the Paralegal Officer and Transformation Projects Officer. The KMIT Manager and Strategic, Planning, Monitoring and Evaluation Officer positions have also been appointed, although the incumbents will assume duties in July 2017.

Staff Movement

The CBE welcomed the regular Committee Secretary, a permanent employee, who was away on secondment to DPW. Due to her premature return, the temporary incumbent is still in place until the expiry of her fixed term contract at the end of October 2017.

Table 9: Employee Statistics

| APRIL 2017 | | | | | | | | | | |
|-----------------------|------|----------------|------|--------|------|----------|------|---------|-------|-------------|
| Permanent Employees: | | | | | | | | | | |
| African | | Asians/Indians | | Whites | | Coloured | | Total | | Grand Total |
| Female | Male | Female | Male | Female | Male | Female | Male | Females | Males | |
| 15 | 5 | 2 | 1 | 3 | 3 | 1 | 1 | 21 | 10 | 31 |
| Fixed Term Employees: | | | | | | | | | | |
| 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| MAY 2017 | | | | | | | | | | |
| Permanent Employees: | | | | | | | | | | |
| African | | Asians/Indians | | Whites | | Coloured | | Total | | Grand Total |
| Female | Male | Female | Male | Female | Male | Female | Male | Females | Males | |
| 16 | 5 | 2 | 1 | 3 | 3 | 1 | 1 | 22 | 10 | 32 |
| Fixed Term Employees: | | | | | | | | | | |
| 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| JUNE 2017 | | | | | | | | | | |
| Permanent Employees: | | | | | | | | | | |

| African | | Asians/Indians | | Whites | | Coloured | | Total | | Grand Total |
|------------------------------|------|----------------|------|--------|------|----------|------|---------|-------|-------------|
| Female | Male | Female | Male | Female | Male | Female | Male | Females | Males | |
| 16 | 6 | 2 | 1 | 3 | 3 | 1 | 1 | 22 | 11 | 33 |
| Fixed Term Employees: | | | | | | | | | | |
| 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

Staff Turnover:

Number of employees at beginning of quarter and at end of quarter (31+31)

Divide by 2 = Total (62÷2 = 31)

Divide terminations over Total x 100 = turnover % (0÷31 x 100 = 0%)

The table above reflects no movement during the period under review.

Table 10: Racial and Gender Equity

| Population group | Male | | | Female | | | Total | | |
|---------------------|-----------|----------------------------|---------------|-----------|------------------------------|---------------|-----------|--------------------------------|---------------|
| | No. | Percentage male population | | No | Percentage female population | | No | Percentage of total Population | |
| | | CBE | SA Population | | CBE | SA Population | | CBE | SA Population |
| African | 6 | 54.55 | 80.6 | 16 | 72.73 | 80.40 | 22 | 66.67 | 80.50 |
| Coloured | 1 | 9.09 | 8.70 | 1 | 4.55 | 8.90 | 2 | 6.06 | 8.80 |
| Indian/Asian | 1 | 9.09 | 2.60 | 2 | 9.09 | 2.40 | 3 | 9.09 | 2.50 |
| White | 3 | 27.27 | 8.20 | 3 | 13.64 | 8.30 | 6 | 18.18 | 8.30 |
| Total | 11 | | 100.00 | 22 | | 100.00 | 33 | | 100.0 |

The target figures provided have been benchmarked with the latest mid-year population estimates by Statistics SA demographic data, (P03022015). Representations have been exceeded with white and Indian staff. The CBE will endeavor to correct this with appointment of African male and female as well as Coloured female at its next recruitment opportunity.

Employee Relations

The Labour Court process regarding the two former fixed term employees is still pending. The former CEO's unfair dismissal dispute was withdrawn by her at the CCMA for lodgement in the Labour Court. This lodgement has not taken place yet.

Policy Reviews

Following the signed agreement on the HR policies listed below, monthly meetings were held with Labour representatives to discuss annual policy reviews:

- Leave,
- Hours of work,
- Retention,
- Remuneration and Benefits, and
- Performance Management and Development.

Performance Management and Development

100% submission of 2016/17 final performance reviews has been recorded. The Moderation Committee will convene once the Audit Management confirms overall organisational performance.

80% of 2017/18 Performance Management contracts have been recorded.

Employee Leave

The table below depicts the number of leave types in terms of planned and unplanned days taken during the period under review.

Table 11: Employee Leave

| Type of leave | April 17 | | May 17 | | June 17 | | TOTAL | |
|-----------------------|-----------|-------|-----------|------|-----------|------|-----------|--------|
| | Employees | Days | Employees | Days | Employees | Days | Employees | Days |
| Annual Leave | 22 | 61.50 | 17 | 56 | 12 | 62 | 28 | 179.50 |
| Sick Leave | 1 | 4 | 6 | 30 | 5 | 21 | 9 | 55 |
| Family Responsibility | 0 | 0 | 0 | 0 | 1 | 4 | 1 | 4 |
| Unpaid leave | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Study leave | 1 | 3 | 1 | 4 | 0 | 0 | 2 | 7 |
| Maternity Leave | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Paternity leave | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Suspension | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Absenteeism rate

Absenteeism is benchmarked at a 4% industry average. A total of 59 unplanned person-days were lost during the quarter resulting in above average absenteeism rate of 1.65%.

Table 12: Absenteeism rate

| April 17 | | | | | | | | | | | | |
|-----------------------------------|--------|-------|-----|-------|-----|-------|------|--------|-----|---------------------|------------------------|------------|
| #Empl | AL | #Empl | SL1 | #Empl | FRL | #Empl | SL 2 | #Emp l | UL | Total Man-days lost | Total Staff Complement | Absentee % |
| 22 | 61.50 | 1 | 4 | 0 | 0 | 1 | 3 | 0 | 0 | 4 | 32 | 0.58% |
| May 17 | | | | | | | | | | | | |
| #Empl | AL | #Empl | SL1 | #Empl | FRL | #Empl | SL 2 | #Emp l | UL | Total Man-days lost | Total Staff Complement | Absentee % |
| 17 | 56 | 6 | 30 | 0 | 0 | 1 | 4 | 0 | 0 | 30 | 32 | 4.33% |
| June 17 | | | | | | | | | | | | |
| #Empl | AL | #Empl | SL1 | #Empl | FRL | #Empl | SL 2 | #Emp l | SUS | Total Man-days lost | Total Staff Complement | Absentee % |
| 12 | 62 | 5 | 21 | 1 | 4 | 0 | 0 | 0 | 0 | 25 | 33 | 0.03% |
| Total for the period under review | | | | | | | | | | | | |
| 28 | 179.50 | 9 | 55 | 1 | 4 | 2 | 7 | 0 | 0 | 59 | 32 | 1.65% |

Legend:

Formula: $\text{Absenteeism\%} = \frac{\text{Man-days lost}}{\text{Product of Average No of workdays for the period by staff complement}} \times 100$. Whereas Average No. of workdays = 21.67 days per month.

Man days lost = Unplanned absences related to ill health and family responsibility.

#Empl: No. of employees

AL: Annual leave

SL1: Sick leave FRL: Family Responsibility leave

SL2: Study leave

UL: Unpaid leave