



1st QUARTER PERFORMANCE INFORMATION FOR THE FINANCIAL YEAR 2016/17

First Quarter 2016/17: 01 April – 30 June 2016

Contents

1. APPROVAL	4
2. ACRONYMS AND DEFINITIONS USED IN THE REPORT	5
PART A: EXECUTIVE SUMMARY	8
3. EXECUTIVE SUMMARY	9
PART B: GOVERNANCE	14
4. INTRODUCTION	15
4.1 EXECUTIVE AUTHORITY	15
4.2 THE ACCOUNTING AUTHORITY	15
4.3 COMPOSITION OF THE COUNCIL	16
Committees of Council	18
Statutory Committees	18
Other Committees	18
Executive Committee (EXCO)	18
Audit and Risk Committee (ARC)	19
Finance, Human Resources and Legal Committee (FHLC)	21
Built Environment Matters Committee (BEMC)	22
Meetings of Council and Committees	24
Remuneration of Council members	25
4.4 RISK MANAGEMENT	25
4.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT	26
4.6 INTERNAL AUDIT	26
Internal Audit Function	26
4.7 COMPLIANCE WITH LEGISLATION AND PROCEDURES	27
4.8 FRAUD AND CORRUPTION	27
4.9 MINIMISING CONFLICT OF INTEREST	27
4.10 CODE OF CONDUCT	28
4.11 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES	28
4.12 TRAINING AND DEVELOPMENT	28
4.13 SUPPLY CHAIN MANAGEMENT (SCM)	29
PART C: PERFORMANCE INFORMATION	30
5. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE	31
5.1 Programme 1: Government Policies and Priorities	31
5.2 Programme 2: Skills for Infrastructure Delivery	35

5.3 Programme 3 – Built Environment Research, Information and Advisory	42
5.4 Programme 4 - Regulation and Oversight of six BEPCs	45
PART D: EXPENDITURE REPORT	62
PART E: HUMAN RESOURCES EXCEPTION REPORT	67

1. APPROVAL

This Quarterly Report was approved by:



P. Mdlalose (Ms)

Acting Chief Executive Officer

29 July 2016

Date

2. ACRONYMS AND DEFINITIONS USED IN THE REPORT

Act	The CBE Act
AGSA	Auditor-General South Africa
ARC	Audit and Risk Committee
APP	Annual Performance Plan
BE	Built Environment
BEMC	Built Environment Matters Committee
BEP/s	Built Environment Profession/s
BEPC/s	Built Environment Professional Council/s
CBE	Council for the Built Environment
CC	Competition Commission
CCMA	Commission for Conciliation, Mediation & Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGICTPF	Corporate Governance of Information and Communications Technology Policy Framework
CHE	Council of Higher Education
Council	CBE Council
CPD	Continuous Professional Development
DoD	Department of Defence
DPW	Department of Public Works
DPSA	Department of Public Service and Administration
ECSA	Engineering Council of South Africa
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
FHLC	Finance, Human Resources and Legal Committee

FPP	Fraud Prevention Plan
GIS	Geographic Information Systems
HDI	Historically Disadvantaged Individual
HR	Human Resources
IDMS	Infrastructure Delivery Management System
IDoW	Identification of Work
ILO	International Labour Organization
IT	Information Technology
Minister	Minister of Public Works
MISA	Municipal Infrastructural Support Agency
MoA	Memorandum of Agreement
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NPO	Non-Profit Organization
OCPO	Office of the Chief Procurement Officer
OSD	Occupation Specific Dispensation
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Co-ordinating Committee
PoE	Panel of Experts
RPL	Recognition of Prior Learning
SACAP	South African Council for the 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
SACLAP	South African Council for the Landscape Architectural Profession

SCM	Supply Chain Management
SIPDM	Standards for Infrastructure Procurement and Delivery Management
SIPS	Strategic Infrastructure Projects
SOE	State Owned Entity
UoT	University of Technology

- Programme 1: Government Policies and Priorities
- 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

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 2016/17 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 the 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.

The CBE implements its Annual Performance Plan (APP) through four programmes; Programme 1 – Government Policies and Priorities, Programme 2 - Skills for Infrastructure Delivery, Programme 3 – Built Environment Research, Information and Advisory and Programme 4 - Regulation and Oversight of six Built Environment Professional Councils (BEPCs).

The 2016/17 APP had 22 deliverables for the year, with 22 targets set for the first quarter. Fifteen (68%) were achieved, three (14%) were partially achieved and four (18%) were not achieved. The general reasons noted for the non-achievement or partial achievement of targets can be attributed to:

- a) Insufficient budgets/funds to implement the necessary infrastructure required in the IT environment,
- b) The delays in SCM processes was only a temporary setback in the period where the Central Procurement Database of National treasury was being phased in, and
- c) External dependency

Table 1: Percentage of quarterly targets achieved, partially achieved and not achieved

	Number of quarterly targets	Achieved	Partially Achieved	Not Achieved
Quarter 1	22	15 (68%)	3 (14%)	4 (18%)
Quarter 1 Programme Highlights				
Programme 1	5	3	0	2
Programme 2	6	5	1	0

Programme 3	4	2	2	0
Programme 4	7	5	0	2

The highlights for the quarter under review were the following:

Programme 1 - Government Policies and Priorities

The strategic objective of Programme 1 is to ensure that built environment (BE) academic curricula and Continuous Professional Development (CPD) programmes embody health and safety in construction, environmental sustainability, job creation through labour intensive construction, as well as the Infrastructure Delivery Management System (IDMS).

For the 2016/17 APP, Programme 1 has five quarterly targets. Of these, three were achieved. The highlights of this Programme were the following:

- A consultation workshop with the six BEPC to facilitate implementation of the CBE framework for the incorporation of health and safety, sustainability, labour intensive techniques and the IDMS within the curriculum of South African tertiary institutions that provide BE programmes.
- One of the key recommendations of the workshop was that a baseline study is to be conducted to establish the extent to which some of the knowledge areas have been incorporated in the BE curriculum by the Built Environment Professional Councils (BEPCs) as well as the tertiary institutions.
- Development of the first draft of the CBE Information Technology (IT) Governance framework, in line with Department of Public Service Administration's (DPSA's) Corporate Governance policy framework.
- Filling of critical vacancies in Finance with the appointment of a Finance Manager and a Supply Chain Management Practitioner.

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 drive the implementation of the Transformation Implementation Model of the CBE, with a focus on the Workplace Training Model and the Maths and Science Support Programme.

Programme 2 has six quarterly targets. Of these, five were achieved, while one was not achieved. The highlights of this Programme were the following:

- The first draft Project Plan for the production and development of three high demand Built Environment Professions (BEPs) skills, identified for Strategic Infrastructure Projects (SIPs), was developed.
- The baseline and first term school examination results of the 450 learners was recorded and confirmed in the three targeted Provinces.
- Eighty three candidates applied to be included in the 2016-2017 Candidacy Programme.
- The CBE has placed 130 interns, 30 more than projected and placement is still on-going.
- All of the six BEPCs have confirmed and submitted their 2016/2017 academic year accreditation schedules for the various universities.

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, as identified in the Medium-Term Strategic Framework (MTSF).

Programme 3 has four quarterly targets. Of these, two were achieved while two were partially achieved. The highlights of this Programme were the following:

- A collaboration agreement with the Office of the Chief Procurement Officer was signed to improve the delivery of infrastructure and asset management, while promoting the IDMS amongst BEPs.
- A literature review on the implementation of the Occupation Specific Dispensation (OSD) was developed. Further, engagements were held with the Department of Public Works (DPW) Provincial Departments to establish the challenges in implementing the OSD.

Programme 4 - Regulation and Oversight of six Built Environment Professional Councils

The strategic objective of Programme 4 is for the CBE to act as an appeal body on matters referred to it, in terms of the law regulating the BEPs, and to promote sound governance of BEPs.

Programme 4 has seven quarterly targets. Of these, five were achieved, while two were not achieved. The highlights for the quarter were:

- The Public Finance Management Act (PFMA) and Corporate Governance compliance assessments are creating a base for positive intervention.
- The workshop to facilitate the alignment of the BEPC's policies with policy Frameworks approved by the Minister had a similar positive outcome.
- The engagements with the BEPCs on the Competition Commission's (CC's) decision on the Identification of Work (IDOW) exemption applications were constructive.

Financial Performance

The table below reflects the variance between actual and budgeted expenditure for the quarter under review.

Table 2: First Quarter Financial Performance (1 April-30 June 2016)

	Programme	Actual	Budget	Variance	Variance %
Revenue	1	22,108,314	21,876,728	231,586	1.06%
Total revenue		22,108,314	21,876,728	231,586	1.06%
Expenditure	1	8,402,120	9,777,168	1,375,047	14.06%
	2	1,636,134	677,056	(969 078)	-145.28%
	3	110,164	416,500	306,336	73.55%
	4	21,400	205,000	183,600	89.56%
Total expenditure		10,169,818	11,065,724	1,127,492	10.43%

Revenue

The revenue mainly consists of the Parliamentary Grant funding received from DPW, which was received, as budgeted. The favourable variance of 1.06% was due to the levy income from the following BEPCS:

1. Engineering Council of South Africa (ECSA)
2. South African Council for the Property Valuers Profession (SACPVP)
3. South African Council for the Project and Construction Management Professions (SACPCMP)

Expenditure

The variances on expenditure are as follows:

Programme 1: There was a favourable variance of 14.06% due to cost saving strategies implemented by CBE, as well as a delay in the appointment of the service provider to conduct the job profiling exercise.

Programme 2: There was an unfavourable variance of R969 078, due to the surplus funds utilised for:

- The Maths and Science support programme, and
- Stipends paid to the interns.

Programme 3: There was a favourable variance of R306 336 (73%), due to the under-expenditure of the budget in the following account groups:

- Lesser travel and accommodation (R81 611),
- Consulting fees (R56 500), and
- Conferences (R170 000).

Under spend in this allocation was due to delays experienced in organising the conferences and workshops with stakeholders.

Programme 4: There was a favourable variance of R183 600 (89%), due to the expenditure below budget in the following account groups:

- Less catering (R4 700), and
- Less consulting fees (R178 900).

PART B: GOVERNANCE

4. INTRODUCTION

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

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

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

4.1 EXECUTIVE AUTHORITY

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

4.2 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. advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;
- b. facilitate inter-ministerial co-operation concerning issues relating to the built environment;

- c. provide advice and consultation on national policy that could impact on the built environment, human resource development in relation to the built environment professions and the recognition of new professions;
- d. comment, if necessary, on all proposed legislation impacting on health and safety in the built environment;
- e. advise the Councils for the Professions on matters of national importance where the needs of the State, as communicated to the Council through the relevant Minister, require joint and coordinated action by the built environment professions;
- f. ensure the consistent application of policy by the Councils for the Professions with 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 mandated to effect policy coordination and to ensure the consistent application of policy within the BE, promote the participation of BEPs in integrated development within the context of national goals, and act as the conduit for communication between Government and the BEPs.

4.3 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;
- 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 Council for the Professions; and
- d. Not more than four persons nominated by the public.

Members are appointed through a formal process as stipulated in the CBE Act. The Minister appoints the Chairperson, Deputy-Chairperson and members of the Council for a period of

four years. The Council and its Committees are supported by a Company Secretary on governance matters. The Chief Executive Officer (CEO) and CBE staff are responsible for operational matters.

Table 4: Fourth Term Council

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Date Resigned
IM Nkosi (Chairperson)	5(2)(c) SACPCMP	1 August 2014	-
NF Sithole (Deputy Chairperson)	5(2)(d) Public	1 August 2014	-
Adv. DJ Block	5(2)(d) Public	1 August 2014	16 February 2015
CA Breed	5(2)(c) SACLAP	1 August 2014	-
IS Kgomo	5(2)(b) Department of Public Enterprise	1 August 2014	31 December 2014
ND Lombard	5(2)(c) SACAP	1 August 2014	-
N Maharaj	5(2)(d) Public	1 August 2014	6 May 2015
EG Makongwana	5(2)(c) SACPVP	1 August 2014	-
JL Margolius	5(2)(c) SACPVP	1 August 2014	-
Dr ZT Mathe	5(2)(c) ECSA	1 August 2014	-
T Matunda	5(2)(c) SACQSP	1 August 2014	11 February 2015
D Michell	5(2)(c) SACPCMP	1 August 2014	-
Prof KA Michell	5(2)(c) SACQSP	1 August 2014	-
C Mtshisa	5(2)(a) Department of Public Works	1 August 2014	-
ZC Mvalo	5(2)(b) Department of Higher Education	1 August 2014	-
A Sassenberg	5(2)(c) ECSA	1 August 2014	-
RG Sefotlho	5(2)(d) Public	1 August 2014	-
AA Steyn	5(2)(c) SACLAP	1 August 2014	2 February 2016
S Thubane	5(2)(c) SACAP	1 August 2014	-
MM Tshangela	5(2)(c) 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 PFMA.

Other Committees

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

Executive Committee (EXCO)

In terms of The Act, the EXCO may hold meetings as and when necessary, but at least four times per year. The statutory mandate of EXCO is to:

- a. Ensure that the resolutions of the Council are carried out.
- b. Consider any matter delegated to it by the Council in terms of any law, and advise the Council in connection therewith.
- c. Prepare estimates of revenue and expenditure of the Council.
- d. Control the expenditure of monies voted by Council in its approved estimates and all other monies or funds made available by the Council.
- e. Exercise or perform any power, duty or function delegated to it by the Council and such other powers as may be delegated to it by Council in terms of clause 16 of the CBE Act.
- f. Report on the activities of the Committee at every ordinary meeting of the Council.
- g. Establish an annual work plan to ensure that all relevant matters of the Committee's roles and responsibilities are covered.

The EXCO convened one special and one ordinary meeting during the quarter. The ordinary meeting of EXCO took place on 28 April 2016 and the following matters were considered:

- The Fourth Quarterly Report as considered by the ARC.
- A proposed Legal Compliance Policy.
- Feedback on Stakeholder Management.
- Progress on the IDoW process and response to the decision of the CC and,
- Proposed amendments to the EXCO Terms of Reference.

A special meeting of EXCO was held on 9 May 2016 to discuss:

- The letter received from the Director General of DPW on the suspension of the CEO, and
- The report received on an investigation done on behalf of the Minister in terms of section 19(3) of the CBE Act.

Audit and Risk Committee (ARC)

The ARC is constituted in terms of Section 77 of the PFMA, read with Chapter 9 of the Treasury Regulations. The ARC consists of three external members and two Council members. The ARC Chairperson is an external member. The ARC assesses the CBE's risks, with reference to the entity's available resources, expertise, 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; and
- k. Engage the external auditors to provide assurance on the summarized financial information.

Table 5: 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)	
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)	
NF Sithole	Council Member		1 August 2014	
N Maharaj	Council Member		1 August 2014	6 May 2015
JL Margolius	Council Member		Appointed by Council on 27 May 2015.	

The ARC held one meeting during the quarter on 28 April 2016. The meeting considered the following matters:

- The ARC's report for inclusion in CBE's Annual Report.
- Review of the draft Annual Report and recommendations to EXCO.
- The draft Annual Financial Statements.
- Received feedback on IT Governance.

- The Strategic Risk Register.
- Internal Audit Plan.
- An update of progress on the Auditor General's audit.

Finance, Human Resources and Legal Committee (FHLC)

The mandate of the FHLC is as follows:

A. 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 the Audit and Risk Committee, 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 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.

B. Human Resources

- a. Consider and make recommendations on Human Resources (HR) Strategy that will ensure that CBE is able to attract, retain and develop the best possible talent to support business performance.
- b. Consider and make recommendations on the creation or review of an organisational culture, structure, and processes, which seek to support the development of staff and

optimisation of their potential, in particular those who have been previously disadvantaged to address any existing inequalities in staff profiles and organisational practice.

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

C. Legal

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

One meeting of the FHLC took place during the quarter under review 19 May 2016. The meeting, *inter alia* dealt with the progress made on reviewing SCM and Finance policies, IT matters, HR matters, office accommodation and Compliance and Ethics Policies.

Built Environment Matters Committee (BEMC)

The mandate of BEMC is as follows:

A. Broader Government Priorities and Programmes in the Built Environment

1. Skills Plan for Government's infrastructure rollout programme through the Presidential Infrastructure Coordinating Committee (PICC) and SIPs.
2. Job creation initiatives of Government, with links to the Expanded Public Works Programme (EPWP) and the involvement of BEPCs in labour intensive construction.
3. The environmental sustainability agenda, with links to DPW's Green Building initiatives.

4. Health and Safety in construction, with links to the Department of Labour's initiatives and incorporation of health and safety into the curricula of BE academic programmes.
5. Transformation:
 - 5.1. The proposal of the Non-Profit Organisation (NPO) to undertake Transformation initiatives at schools and tertiary institutions, and quality assured workplace training.
 - 5.2. Support for the BEPCs' Transformation plans.

B. Skills Development initiatives in the Built Environment

1. Maths and Science support programmes in schools.
2. Monitoring the accreditation of academic programmes and academic institutions;
3. Monitoring professional registration, including the Recognition of Prior Learning (RPL).
4. Quality assured workplace training for new BE graduates (for candidature), and interns (for experiential learning).

C. Research and Information on Built Environment matters

1. Research on BE matters that are of priority to DPW.
2. Research on BE matters that are of priority to the BEPCs.
3. Research on BE matters that are of priority in service delivery (e.g. the IDMS) with Municipalities, National, Provincial and Infrastructure departments.
4. Research on BE matters that are of priority to industry and the public.

D. BEPCs General Matters

1. Implementation of policies within the BEPCs.
2. Business plan issues of the BEPCs.
3. Support, guidance and monitoring of the BEPCs.
4. Support for conclusion of the IDoW regulations.
5. Other BEPC related matters.

One meeting of the BEMC took place during the quarter on 20 May 2016. The meeting, *inter alia*, considered feedback on the Transformation Model, progress on projects, project scopes for those planned for the 2016/2017 financial year and SACPCMP's challenges around the registration of Construction Health and Safety Practitioners.

Meetings of Council and Committees

A special Council meeting was held on 19 May 2016 to discuss the letter received from the Minister pertaining to the suspension of the CEO. A planned Council meeting took place on 26 May 2016, preceded by Council's Strategic Planning session on 25 May 2016. Reports from the Committees of Council, the Chairperson of Council and the Acting CEO were considered at the Council meeting of 26 May 2016. Council also contemplated highlights from the Strategic Planning session of 25 May 2016 that focused on stakeholder involvement in shaping the CBE's strategic direction.

The five vacancies on Council still remain. Recommendations for appointments were submitted to DPW for the attention of the Minister.

Table 6: Committees' composition and meetings

Committee	No of meetings planned	No. of meetings held	Name of members
EXCO	1	1	IM Nkosi (Chairperson) NF Sithole (Deputy-Chairperson) Prof KA Michell Dr ZT Mathe S Thubane (Alternate Member)
ARC	1	1	D Coovadia M Mothipe F Docrat NF Sithole JL Margolius
FHLC	1	1	Prof KA Michell (Chairperson) ND Lombard JL Margolius A Sassenberg IM Nkosi
BEMC	1	1	Dr ZT Mathe CA Breed EG Makongwana D Michell C Mtshisa ZC Mvalo RG Sefothlo S Thubane MM Tshangela
Council	1	1	IM Nkosi, Mr (Chairperson) NF Sithole, Ms (D Chairperson) CA Breed, Ms ND Lombard, Mr EG Makongwana, Ms JL Margolius, Mr ZT Mathe, Dr D Michell, Mr

Committee	No of meetings planned	No. of meetings held	Name of members
			M KA Michell, Prof C Mtshisa, Mr ZC Mvalo, Mr A Sassenberg, Ms RG Sefotlho, Mr S Thubane, Mr MM Tshangela, Ms

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 7: Remuneration paid to Council

Designation	Per Day	Per Hour
Chairperson	R4 072	R509
Deputy Chairperson	R3 456	R432
Chairpersons' of Committees	R3 456	R432
Members of Council/ Committees	R3 216	R402

4.4 RISK MANAGEMENT

Risk Management forms a central part of the CBE's strategic management, with the identification, assessment, and management and monitoring of risks across the organisation. The CBE's Internal Auditor, Ngubane and Company, and the ARC play a vital role in Risk Management. The principles of good governance require Council, as the Accounting Authority,

to be directly responsible for risk management and planning. Risk Management is also a compliance requirement, as per the PFMA.

During the quarter under review the following activities were noted:

- The final Operational and Strategic Risk Registers, with action plans, were submitted to ARC. These documents were noted by the Committee and will be submitted on a quarterly basis, for monitoring of action plans thereof.
- All operational risks were assigned to a Departmental Head for monitoring, as Risk Management is a process conducted by all employees.

4.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT

During the quarter under review, the Auditor General South Africa (AGSA) commenced with the final audit for 2015/2016 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.

A revision of all policies and procedures are currently underway, and a risk assessment has been performed on current shortcomings in the finance processes.

4.6 INTERNAL AUDIT

Internal Audit Function

The role of the internal auditors is to improve the CBE's operations and assist in monitoring the internal controls, before any deficiencies are identified by the AGSA. The internal audit function also helps the CBE to accomplish its objectives by introducing a systematic, disciplined approach to evaluate and improve the effectiveness of Risk Management, control, and governance processes. The internal audit function also submits its quarterly reports to all ARC meetings and, if necessary, meets with the ARC Chairperson prior to, and immediately after, each ARC meeting.

Based on the approved internal audit plan for the 2016/2017 financial year, the following audits were performed during the quarter under review:

- Fourth quarter audit of predetermined objectives;
- Membership verification; and
- Review of annual financial statements.

4.7 COMPLIANCE WITH LEGISLATION AND PROCEDURES

The entity has policies and procedures to ensure compliance with all relevant legislation.

A Compliance Policy and Action Plan were adopted by Council at its meeting of 26 May 2016. The Action Plan is in the process of implementation.

The ARC monitored all legal issues faced by the CBE to ensure that they were resolved. Management presented the non-compliance issues on a quarterly basis to the ARC, EXCO and the Council to ensure that the CBE complies with all laws and regulations.

4.8 FRAUD AND CORRUPTION

The entity focuses on the implementation of an up-to-date Fraud Prevention Plan (FPP), a requirement set out in Section 3.2.1 of National Treasury Regulations.

During the period under review:

- An external service provider reviewed the FPP.
- A gap analysis was performed and the report on the outcome of the exercise was discussed with Management. The plan was then submitted to the ARC for recommendation to Council. The Committee concluded that minor adjustments needed to be performed on the document before approval could be granted.
- The CBE contracted Mazars Forensic Services since April 2016 for the monitoring of its fraud hotline reports. Thus far, no reports of fraud have been received by the CBE.

4.9 MINIMISING CONFLICT OF INTEREST

Attendees of meetings are required to declare their interest in matters considered at meetings, by entries in registers completed at each meeting.

4.10 CODE OF CONDUCT

The annual declaration forms, for SCM related interaction and indications of other business interests, as well as confirmation to abide by the Code of Conduct policy of the organisation, were circulated to all and new employees during the quarter. A new submission procedure was also introduced for employees to attach supporting documentation where business interests are declared.

4.11 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

The provision of a healthy working environment remains a priority. The CBE complies with the Health and Safety Act through ensuring a safe and conducive working environment.

Quarterly compliance with the Health and Safety Act was ensured through reminders of evacuation procedures in all meetings held during the period under review.

Wellness awareness articles were circulated and various health and safety posters were displayed in conspicuous areas throughout the office building.

The Health and Safety Committee's term is ending and the process of electing a new committee is underway.

4.12 TRAINING AND DEVELOPMENT

The CBE recognises the return on investment realised from staff development. In line with the targets, the following were achieved during the quarter:

- One out of the three employees receiving educational assistance completed the HR B.Com Degree bridging course successfully, while two employees are awaiting their results by the end of July 2016. A full report will be issued in the next quarter.
- The planned expenditure was not utilised as the requested training could only be Scheduled in the next quarter.
- Council members and Executive Management attended a one-day Corporate Governance Workshop presented by KPMG. DPW initiated training to address Governance challenges at DPW public entities, including the CBE. A report

highlighting areas requiring intervention was issued and will be engaged on by Council.

4.13 SUPPLY CHAIN MANAGEMENT (SCM)

The table below indicates the total procurement spend on Historically Disadvantaged Individuals (HDI) share as 56%. White males are recorded at 24%, while 19% of the spend is attributable to State Owned Entities (SOEs). The CBE will continuously endeavour to increase its HDI percentages in procurement spend. On actual procurement spend, which excludes long standing contracts, HDIs are sharing 10% of the procurement spend which is mainly attributable to women; state owned entities are sitting at 0% and 90% is attributable to white males.

Table 8: Procurement

Procurement Details	Procurement for the 1st Quarter ending June 2016					
	Procurement		Contractual Amount		Total	Procurement Distribution
	R'	%	R'	%	R'	%
HDI	R91,255.62	10.0%	R2,232,623.00	69%	R2,323,878.62	56%
Woman	R 69 767.54	8%	R 1 214 916.50	37%	R1,284,684.04	31%
Black Male	R 21 488.08	2%	R 1 017 706.50	31%	R1,039,194.58	25%
White Male	R 779 884.64	90%	R 222 455.44	7%	R1,002,340.08	24%
State Owned Entities	R 0.00	0%	R 795 000.00	24%	R795 000.00	20%
Total	R871,140.26	100%	R3,250,078.44	100%	R4,121,218.70	100%

PART C: PERFORMANCE INFORMATION

5. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

The CBE implemented its APP through four programmes in the 2016/17 financial year, namely: Government Policies and Priorities; Skills for Infrastructure Delivery; BE Research, Information and Advisory; and Regulation and Oversight of six BEPCs.

5.1 Programme 1: Government Policies and Priorities

The strategic objective of Programme 1 is to ensure that BE academic curricula and CPD programmes embody health and safety in construction, environmental sustainability, job creation through labour intensive construction, and the IDMS.

This programme responds to the following mandates of the CBE:

- Section 3 (c) promote ongoing human resource development in the built environment;
- 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 National Development Plan (NDP));
- 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).

For the 2016/17 APP, Programme 1 has six quarterly targets. Of these, five targets were achieved. The targets for the first quarter performed as follows:

*5.1.1 First consultation with six BEPCs to get buy-in on the development of Memorandum of Agreements (MoAs) - **Achieved***

The aim of this project is to facilitate the implementation of the CBE framework for the incorporation of health and safety, sustainability, labour intensive techniques and the IDMS within the curricula of South African tertiary institutions that provide BE programmes. This project originates from the research previously undertaken by the CBE, which resulted in the development of a framework for the incorporation of new knowledge areas in the BE programmes. The four areas were strategically identified as key in the context of the country's development and supporting Government priorities; hence the need for their full incorporation into the training of BEPs in South Africa. The actual implementation of the framework will be driven by the BEPCs within the function of accreditation, as embedded in their legislative mandates. During this financial year the CBE, in collaboration with the BEPCs, will facilitate activities to develop an approach through which the four areas can be incorporated into the curricula.

The quarterly target was achieved. During the quarter under review, a workshop was held with the BEPCs to further engagements that were started in the last quarter of the previous financial year. One of the key recommendations of the workshop was that a baseline study is to be conducted to establish the extent to which some of the knowledge areas have been incorporated in the BE curricula by the BEPCs as well as the tertiary institutions. The CBE was tasked with the development of the terms of reference for this exercise, which were developed by the end of the quarter. In the upcoming quarter, the CBE will continue to facilitate the engagements and formalise the collaboration with the BEPCs, in order to provide support in this process.

Programme 1 includes the administrative functions of the CBE. This covers the Human Capital development, IT and financial support services. The administrative functions performed as follows:

*5.1.2 Report on capacity review - **Not Achieved***

The project aims at enhancing the internal control of support services of the CBE, through better alignment of all jobs within the organisational structure with the strategy of the CBE.

The target was not achieved. The first quarter target was to audit existing skills to determine the organisation's current position and provide a capacity review report.

During the quarter, the project scope and Terms of Reference were developed and submitted to management and executive for their input. Several consultative meetings were also held with organised labour and all staff to clarify the aim of the project, while assuring employees of the positive implications of the project.

The call for proposals was delayed due to the budget approval process. The appointment of a service provider has since been finalised and is expected to deliver both the capacity review report and the implementation plan within the second quarter.

*5.1.3 First draft of the CBE IT Governance, in line with DPSA Corporate Governance policy framework - **Achieved***

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

- Alignment between IT and business strategies;
- Maintain high-quality information to support business decisions;
- Generate business value from IT-enabled investment i.e. realise business benefits through effective and innovative use of IT;
- Achieve operational excellence through the reliable and efficient application of technology; and
- Risk management: addressing the safeguarding of IT assets, disaster recovery and the continuity of operations.

The Public Service Act and Regulations places the responsibility for governance and management of electronic government (ICT) in the public service with the Minister of Public Service and Administration. The DPSA, in collaboration with the Government Information Technology Officer Council and the AGSA, developed the Corporate Governance of Information and Communications Technology Policy Framework (CGICTPF). The purpose of the CGICTPF is to institutionalise the Corporate Governance of and Governance of ICT as an

integral part of corporate governance within Departments. The CGICTPF is applicable to all spheres of Government, organs of state and public enterprises.

The target was achieved. During the quarter, the first draft of the CBE IT Governance, in line with the DPSA CGICTPF was developed.

*5.1.3.1. Upgraded server infrastructure - **Not Achieved***

The aim of this project is to upgrade the current server infrastructure in order to achieve a more reliable, high-performing, responsive and secure infrastructure that can be maintained at 95% up-times and accessible anytime, from anywhere and from any smart device. Upgrading server infrastructure is a back-end function i.e. not visible to the end-users and involves, inter alia, the following activities:

- Provide a specification of the required machines to SCM;
- Source a reliable service provider who can provide a superior, consistent and differentiated service;
- Developed a project plan;
- Install and configure machines i.e. software and applications;
- Test and commission to production; and
- Document the newly upgraded server infrastructure environment i.e. network diagrams and operational and maintenance procedures.

The first quarter target was not achieved due to the unavailability of funds. However, the CBE has undertaken the following corrective actions:

a) Retention of R3 754 million surplus fund:

A memorandum was submitted to National Treasury, requesting to retain the surplus fund of R3 754 million, in order to fund this project. Follow-up information was requested by National Treasury and the CBE responded accordingly. The status is that the CBE is still awaiting National Treasury's final response.

b) Support by DPW:

CBE has initiated discussions with DPW through the CFO to explore the possibility of receiving support from DPW. CBE has submitted the Network System Assessment forms as requested by DPW.

*5.1. 4. Resolve prior year's irregular expenditure by 50% - **Not Achieved***

The aim of this project is to ensure full compliance with the PFMA and National Treasury Regulations. The first quarter target was to resolve the prior year's irregular expenditure by 50%.

The target was not achieved. The current irregular expenditure incurred relates to contracts which have been identified as being irregular at the date of award. No additional irregular expenditure has been incurred other than the expenditure on these contracts. CBE is currently investigating the possibility of cancelling these contracts, but disruptions in the operations remain a concern as in the instance of the current Travel service provider.

*5.1.5. Resolve prior years audit findings by 50% - **Achieved***

The aim of this project is to implement sound financial management, internal controls and to achieve a clean audit. The first quarter target was to resolve the prior year's (2014/2015) audit findings by 50%.

The target was achieved. A full verification of all account balances and transactions was performed during the preparation of the financial statement. The annual financial statements were submitted to the AGSA to perform the final year-end audit. The 2015/2016 audit is still underway; therefore, no audit outcome has yet been received.

5.2 Programme 2: Skills for Infrastructure Delivery

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

For the 2016/17 APP, Programme 2 has six quarterly targets. 8Of these, five were achieved, while one was not achieved. The targets for the first quarter performed as follows:

*5.2.1 First draft of the Project Plan for the production and development of high demand BEPs skills categories following consultation with Land and Engineering Surveyors and Geographic Information Systems (GIS) professionals – **Achieved***

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 first quarter target was achieved. The first draft project plan for the production and development of high demand BEPs skills, identified for SIPs, was developed, and approved by the CEO. This process involved engagements with the Land and Engineering Surveyors and GIS professionals to systematically balance the demand and supply of these scarce skills at National, Provincial and at sector level. The occupational teams working through BEPCs determine the number of people with the required occupational skills both in the workforce and who are unemployed. The occupational teams determine which occupations are not being developed at the required rate to meet the demand.

During the quarter under review, the CBE consulted with the Chief Director in the Office of the Chief Surveyor-General in the Department of Rural Development and Land Reform to achieve the target.

*5.2.2. Baseline results of the 450 enrolled learners in the Maths and Science support programme - **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 built environment careers. CBE aims to accomplish this through partnerships with a credible service provider with a record of accomplishment of delivering improved Maths and Science results in rural areas.

The target was achieved. The baseline and first term school examination results of the 450 enrolled learners have been confirmed in the three targeted Provinces viz. KwaZulu-Natal (Durban district), Eastern Cape (Port Elizabeth district) and Mpumalanga (Nelspruit district). The participating learners were drawn from a pool restricted to Grade 12 learners. The table below indicates the average percentages for Maths and Science in the three provinces.

Table 9: Maths and Science Average Performance per Province

Maths and Science Average Performance per Province				
Province	Maths		Science	
	Baseline	Quarter 1	Baseline	Quarter 2
Eastern Cape	36%	42%	35%	33%
Mpumalanga	41%	52%	41%	56%
KwaZulu-Natal	35%	36%	38%	38%

*5.2.3. Twenty five candidates / BE graduates placed in the structured candidacy programme – **Achieved***

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

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

The placement of 25 candidates as per the first quarter target has therefore been achieved and exceeded. A total of 83 candidates have been placed for the 2016/2017 Candidacy Programme. The cordial relationship between CBE and the host employer is the main reason behind the over achievement of this target. The table below indicates the available information and statistics relating to the applicants.

Table 10: Statistics of 2016-2017 applications

INFORMATION AND STATISTICS OF 2016-2017 CANDIDATES TO DATE		
Total Candidates Applying for CBE Candidacy Programme:	83	
DISTRIBUTION GENDER:		
Female:	30	36%
Male:	53	64%
Total:	83	100%
DISTRIBUTION RACE:		
African:	74	89%
Indian:	2	2%
Coloured:	3	4%
White:	4	5%
Total:	83	100%
DISTRIBUTION PROFESSIONAL COUNCILS:		
ECSA:	54	65%
SACPCMP:	21	25%
SACQSP:	8	10%
SACLAP:	0	0%
Total:	83	100%
CETA APPLICATIONS:		
Applications Received:	19	23%
Applications Outstanding:	64	77%
Total:	83	100%
PROOF OF REGISTRATION WITH PROFESSIONAL COUNCIL:		
Submitted:	30	36%
Outstanding:	53	64%
Total:	83	100%
EMPLOYMENT BREAKDOWN:		
CANDIDATES EMPLOYED by PRIVATE EMPLOYERS:	13	16%
CANDIDATES EMPLOYED by GOVERNMENT INSTITUTIONS:	70	84%
Total:	83	100%
BREAKDOWN GOVERNMENT INSTITUTIONS:		
Transnet:	47	67%
DPW:	16	23%
IDT:	7	10%
Total:	70	100%

5.2.3.1 Assessment reports of the candidates placed in the 2014/15, 2015/16 and 2016/17 financial years – **Achieved**

The target was achieved. The table below provides a snapshot of the current and historic numbers of candidates per BEPC, as well as their respective targets.

Table 11: Summary of Candidates for the Three Financial Years

CBE CANDIDATE BREAKDOWN IN TERMS OF BEPC'S FOR THREE FINANCIAL YEARS				
Financial Year	2014_2015 Candidates	2015_2016 Candidates	2016_2017 Candidates	TOTAL
Approved Targets	50	50	50	150
Cumulative Targets	50	100	150	150
Actual	45	61	83	189
Cumulative Targets	45	106	189	189
ECSA	8	36	54	98
Cumulative ECSA	8	44	98	98
SACPCMP	16	12	21	49
Cumulative SACPCMP	16	28	49	49
SACQSP	18	13	8	39
Cumulative SACQSP	18	31	39	39
SACLAP	3	0	0	3
Cumulative SACLAP	3	3	3	3
TOTAL	45	61	83	189

5.2.5 One hundred interns placed for work-integrated learning - **Achieved**

The aim of this project is to partner with Universities of Technology (UoTs) to place students who need to complete work integrated learning i.e. Practical 1 and 2 in order to graduate. The CBE subsidises the host employers with a stipend of R 3 000 per student per month. The CBE also monitors and evaluates the workplace training of these interns.

The target was achieved. The CBE has placed 130 interns, 30 more than projected and it is still on-going. The over achievement of the target was possible through the established relationship with host employers through UoTs. The table below is a summary of the CBE interns placed:

Table 12: CBE Interns

ANALYSIS OF INTERNS PLACED		
Total Number of interns placed in Quarter1:		130
Total Number of interns awaiting placement:		20
DISTRIBUTION GENDER		
	No. of interns	Percentage
Female	30	23.08%
Male	100	76.92%
Total	130	100%
DISTRIBUTION RACE		
	No. of interns	Percentage
African	116	89.23%
Colour	7	5.38%
Indian	0	0.00%
White	7	5.38%
Total	130	100%
DISTRIBUTION OF BUILT ENVIRONMENT STUDIES		
	No. of interns	Percentage
Architectural studies	6	4.62%
Construction Management	25	19.23%
Civil Engineering	26	20.00%
Electrical Engineering	64	49.23%
Mechanical Engineering	9	6.92%
Total	130	100.00%
DISTRIBUTION OF PROFESSIONAL COUNCILS		
	No. of interns	Percentage
ECSA	99	76.15%
SACAP	6	4.62%
SACPCMP/SACQSP	25	19.23%
Total	130	100.00%
DISTRIBUTION OF HOST EMPLOYERS		
Private Companies		78
Municipalities		5
State Owned Companies		2
University Owned Companies		2
Total		87

5.2.6 Report on the BEPCs accreditation schedule for 2016/17 - Achieved

This project ensures that all the Professional Councils adhere to an equitable and fair accreditation process of tertiary institutions with readily accessible documentary procedures to be followed without fear or favour. The accreditation compliance process must be

unencumbered and easily accessible for all future and currently Council of Higher Education (CHE) registered tertiary institutions, based on comparable legislative requirements within the existing learning programmes.

The target was achieved. A report was developed. All of the six BEPCs confirmed and submitted their 2016/2017 academic year accreditation schedules to the various universities. SACPCMP has completed three full accreditation visits to the Walter Sisulu University of Technology (WSU) on the Butterworth and East London campuses, Mangosuthu University of Technology (MUT) and Witwatersrand University (Wits). SACAP has completed a full accreditation visit to the Durban University of Technology (DUT) in Durban, which included an International Observer Panel from the Commonwealth Architectural Association (CAA).

*5.2.7 Report on the status of Transformation within the South African BE - **Partially Achieved***

The target was partially achieved. The reason for its partial achievement was the delay in SCM procedures because of CBE aligning with National Treasury's central data base requirements. A service provider was appointed at the beginning of June 2016 who has made huge progress regarding the study's requirements. The study will be completed by the end of August 2016, and will workshop important findings at the next Transformation Forum.

The CBE has established a number of key relationships with associated MoAs, which are in the process of being formalised. These include:

- The University of Pretoria: Department of Psychology
- The University of KwaZulu-Natal: Council for the Built Environment and Psycho- Social Development
- The University of Johannesburg: Department for the Built Environment
- Enterprises at the University of Pretoria
- "The Hard Hat" Information Platform for Construction and Built Environment Professionals.

5.3 Programme 3 – Built Environment Research, Information and Advisory

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

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

- 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);
- 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 2016/17 APP, Programme 3 has four quarterly targets. Of these, two were achieved, while two were partially achieved. The targets for the first quarter performed as follows:

*5.3.1 Three signed MoAs, with implementation plans - **Partially Achieved***

The project is an initiative towards a programme to support development of technical capacity within the public sector. The project is informed by the CBE's research work on the survey on the number of built environment professionals employed in the municipalities, and Provincial and National departments. During data collection, other areas in which CBE can provide support in building the technical capacity (i.e. BEPs) of Government became known. The project is rooted in CBE's support for public sector capacity building, relating to BEPs.

The significance of this project is the contribution to resourcing the infrastructure departments with the internal requisite technical skills to enhance quality in infrastructure delivery, and overall improvement in Government's service delivery to the communities. The project will also support the already existing capacity building initiatives by the Municipalities, Provincial and National Departments.

The CBE planned to enter into formalised partnerships with the following institutions: National Department of Defence (DoD) Defence Formation Unit, Municipal Infrastructural Support Agency (MISA) and DPW Provincial departments. The MoAs with DoD and MISA have been developed and submitted for legal endorsement. Due to delays encountered during the quarter, it is anticipated that the MoAs will be signed during the second quarter. During the quarter under review, a meeting was held with the DPW Unit responsible for projects to discuss items for the DoD MoA to ensure that CBE initiatives support the work of the Department.

A Forum has been established with the DPW National and Provincial Departments, and the first meeting was held during the quarter. A MoU with Eastern Cape Department of Roads and Public Work is to be finalised in July 2016 to support the development of their technical capacity through the candidacy project. The focus areas are in the fields of Engineering, Quantity Surveying and Construction Project Management.

*5.3.2 Signed MoA, with an implementation plan - **Achieved***

The main objective of the project is to establish partnership with the Office of the Chief Procurement Officer (OCPO) in order to improve delivery of infrastructure and asset management, whilst promoting the IDMS amongst BEPs. The partnership with the OCPO will

enable the CBE support and advise Government on issues relating to, amongst others, the implementation of the IDMS by technical skills, regulation of professional fees and other procurement issues impacting the BE. This partnership is also based on the previous research undertaken by the CBE on issues pertaining to infrastructure procurement and issues impacting on BEPs. The partnership will seek to facilitate effective implementation of the IDMS to the Standard for Infrastructure Procurement and Delivery Management (SIPDM) and it forms part of the CBE's response to strengthening the technical capacity of both the public and private sector for infrastructure delivery. The DPW has a mandate to oversee the delivery of infrastructure and asset management of the country; this partnership with the Chief Procurement Officer will place the CBE at an advantage to advise the Minister on the challenges related to procurement and other processes.

The target was achieved. During the quarter, the MoA was signed between the CBE and the OCPO, including its implementation plan. Furthermore, a meeting was held to discuss the establishment of a Steering Committee and activities to be undertaken during the quarter. The activities included the road shows which had been planned by the OCPO, which CBE participated in the Free State, Gauteng, North West and National Departments meeting at National Treasury. The CBE was tasked with the responsibility to draft the Terms of Reference for the Steering Committee, which were developed during the quarter and submitted to OCPO.

*5.3.3 Literature Review Report on the implementation of the OSD by DPW National and Provincial Departments – **Achieved***

The rationale of this project is shaped by the work of the CBE in the 2015/2016 financial year, where a critical analysis of the OSD on Engineering and related qualifications was undertaken on how it enhances or hinders the attraction and retention of BEPs within the public sector, with specific focus on the DPW Provincial departments. The project seeks to facilitate engagements between the DPW on the current OSD regime and how it can support the skills development initiatives implemented in the DPW National and Provincial departments to ensure its effectiveness and sustainability in attracting and retaining BE skills in the public sector.

The target was achieved. During the quarter, a literature review was developed. Moreover, engagements were held with the DPW Provincial departments to establish the challenges faced in implementing the OSD. As part of this, the CBE attended a meeting between the DPW and the Limpopo Department of Roads and Public Works on challenges relating to

the implementation of the OSD. Other engagements on OSD were held with the Gauteng Infrastructure Department.

*5.3.4 Signed MoA, with an implementation plan - **Partially Achieved***

The main objective of the project is to create awareness among BEPs on the application of labour intensive practices when delivering infrastructure and contributing to job creation in the BE sector. The project is another component of initiatives that seek to enhance this awareness. The partnership draws lessons from various construction projects, both small and big. This project will also facilitate mechanisms to ensure that Government infrastructure and construction project contracts incorporate requirements of labour intensive construction and contribute to job creation opportunities. The partnership will also facilitate the inclusion of labour intensive techniques into the BE curricula and CPD programmes.

During the quarter, the MoA implementation plan was developed from inputs of the EPWP/ILO project and submitted to DPW. It is anticipated that the final document will be signed during the second quarter 2016.

5.4 Programme 4 - Regulation and Oversight of six BEPCs

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

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

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

It contributes to the following outcomes:

Indirect outcomes

- Outcome 13 - social protection (Chapter 11 of the NDP); and
- Outcome 10: protect and enhance our environmental assets and natural resources.

For the 2016/17 APP, Programme 4 has seven quarterly targets. Of these, five were achieved, while two were not achieved. The targets for the first quarter performed as follows:

*5.4.1 100% finalisation of appeals within the statutory 60 days - **Achieved***

No appeals were received during first quarter. A review of the CBE's Appeal Policy is underway.

*5.4.2 A report on engagement with BE professional bodies on the IDoW exemption applications – **Achieved***

Section 20 of The Act requires IDoW to be performed by persons registered with a BEPC in an appropriate category. The said IDoW is preceded by inter alia, consultation with the CC. The CC required exemption applications on behalf of all six BEPCs, which were lodged during previous financial years. The CC rejected the exemption applications. The BEPCs were engaged in a structured manner on a number of occasions regarding the outcome of the CC decision and the way forward. The CC was also engaged, and the Director General of DPW facilitated one of the meetings on 2 June 2016.

*5.4.3 Monitor and report on the progress made by the six BEPCs on the implementation of the Corporate Governance Framework - **Achieved***

The objective of this project is to enhance corporate governance compliance by the six BEPCs. After determining the level of compliance, the project aims to develop strategies to improve the compliance levels of each BEPC. Section 3 (f) of The Act impels it to promote sound governance of the BEPs and has thus developed a Corporate Governance Framework to assist BEPCs in enhancing good governance in their operations.

The target was achieved. The progress made by the six BEPCs in complying with the Corporate Governance Framework was monitored and a report was compiled. The report will be utilised to develop appropriate interventions to enhance compliance.

*5.4.4 One workshop to facilitate the alignment of the Ministerial approved BE policy frameworks by the six BEPCs - **Achieved***

This project envisages an implementation programme of Ministerial approved BE policy frameworks and their translation into rules by the six BEPCs. Sections 3 (i), 4 (k) and 4 (o) of The Act mandates the CBE to ensure the consistent application of policy by the BEPCs.

The target was achieved. The required workshop was held where the approved policy frameworks for the following were discussed:

- (a) International Agreements,
- (b) Appeals and Tribunals, and
- (c) The Recognition of New Professions.

The purpose of the workshop was to have a common understanding of the content of the frameworks and terminology used, in order to facilitate the alignment of the BEPCs' policies with the policy frameworks.

*5.4.5 Assessment report on the compliance with PFMA roadmap by the six BEPCs – **Achieved***

The target was achieved. The compliance of the six BEPCs with the provisions of the PFMA, as reflected in the PFMA roadmap, was assessed and reported on. This report will be utilised to identify interventions to enhance compliance.

*5.4.6 Assessment report on the level of compliance by the six BEPCs to 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 BEPCs, 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 Report must be compliant with statutory requirements and Government priorities in the BE.

The target was not achieved. The reason for the non-achievement was that only two BEPCs submitted their Strategic Plan and APP on time to allow the evaluation by the CBE. Other councils have made the commitment to submit their Strategic Plan and APPs in the second quarter.

*5.4.7 Consultation with three BEPCs on the implementation of the Monitoring and Evaluation Framework- **Not Achieved***

The objectives of the project are to guide the monitoring and reporting processes on the 13 functions of the CBE and Professional Councils through:

- Assist professional councils in submission of quarterly reports, annual reports and Strategic plans and Annual performance plans as per agreed time lines.
- Assist professional councils to comply with all statutory reporting requirements for programme performance information, as well as laying the foundations for audits of non-financial information.
- Synchronising the planning and reporting processes of the CBE and Professional Councils with the performance management and reporting systems of government located within the government-wide Monitoring and Evaluation framework
- Development of a monitoring and reporting system on the 13 public functions and programmes and projects of the BEPCs aligned to developmental priorities of government and
- Revision of the monitoring and reporting templates on the 13 functions.

The quarter's target, as per the APP, was not achieved. The reason for its non- achievement was the postponement of the dates by the BEPCs. The CBE will engage with the BEPCs in the second quarter. As part of the implementation, the CBE circulated the National Treasury template for the Strategic Plan, APP and Annual Report to all BEPCs. The BEPCs were also provided with the dates for submission of the Annual Report and Quarterly Reports. BEPCs are expected to use these templates to draft their Strategic Plans, APPs and Annual Reports.

Programme 1: Government Policies and Priorities

The strategic objective of Programme 1 is to ensure that BE academic curricula and CPD programmes embody health and safety in construction, environmental sustainability, job creation through labour intensive construction, as well as the IDMS.

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			
1.1 A built environment that is responsive to the developmental and economic priorities of Government.	BE academic curricula and CPD programmes embody issues of health and safety in construction, environmental sustainability, and job creation through labour intensive construction and the IDMS.	Number of MoAs on incorporating health and safety, environmental sustainability, labour intensive construction and the IDMS into BE academic curricula	Annual target: Six MoAs signed with BEPCs to facilitate engagements with BE academic institutions on incorporating health and safety, sustainability, labour intensive techniques and the IDMS into BE academic curricula by 31 March 2017.	453	First consultation with six BEPCs to get buy-in on the development of MoAs.	Achieved	N/A	N/A		100		

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			
			Job profiling of all positions and a skills development report, finalised and submitted to Council for approval by 31 March 2017.	250	Report on capacity review	Not Achieved	Service provider appointment delayed	First quarter target timelines have been included in the second quarter.	100			A service provider has been appointed and is expected to deliver both the capacity review report and the implementation plan within the second quarter.
		Efficient and effective knowledge management of the IT service.	Developed IT governance, in compliance with the DPSC Corporate Governance of ICT, and implementation of the IT Strategy by 31 March 2017.	Not allocated. The development of IT Governance and Strategy will be performed in-house.	First draft of the CBE IT Governance in line with the DPSC Corporate Governance of ICT policy framework.	Achieved	N/A	N/A	0	0	0%	N/A
		.	Not allocated due to unavailability of funds.	Upgraded server infrastructure.	Not achieved	Deviation from the quarterly target is due to	Request for retention of R3 753 million	Not allocated due to unavailability of funds.	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			
						unavailability of funds.	surplus funds.					
		Reduced irregular expenditure baseline.	Zero irregular expenditure.	0	Resolved prior year's irregular expenditure by 50%.	Not Achieved	Various contracts have been identified as being irregular and expenditure is continuously incurred on these contracts.	Contracts must be cancelled and new service providers be sourced.	0	0	0%	N/A
		Clean audit report.	Unqualified audit report for 2016/2017.	0	Resolved prior year's audit findings by 50%.	Achieved – 67%	Resolution of 2014/2015 audit findings. The current audit is underway and the result of such is not determined as yet.	Awaiting final audit outcome to be issued within the next month.	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 high demand skills professions categories developed for SIPs.	Development of three BEPs categories Project Plan to support the production of two high demand BEP skills categories (Land & Engineering Surveyors, GIS professionals) for SIPs by 31 March 2017.	159	First Draft of the Project Plan for the production and development of high demand BEP Skills categories following consultation with Land & Engineering Surveyors and GIS professionals.	Achieved	None	None	27	0	100%	Expedite the SCM process to appoint a PoE. R2 000.00 was spent through petty cash.
2.2 A transformed BE with appropriate, adequate skills	Drive and facilitate skills development and	Number of students enrolled in the Maths and	450 learners from a pool of grade 10-12 learners	3 550	Baseline results of the 450 enrolled learners	Achieved	N/A	N/A	20	629	-3046%	The actual expenditure

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actuals					Actual Expenditure	% Variance	Corrective Action in case of poor spending
					Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget			
and competencies, responsive to the country's infrastructure delivery needs.	transformation within the BE.	Science Support Programme.	enrolled in the Maths and Science Support Programme by 31 March 2017.		enrolled in maths and Science support programme completed.							was fast tracked.
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 candidates/BE graduates in workplace training by 31 March 2017		Twenty five candidates / BE graduates placed in the structured candidacy programme.	Achieved	A total of 83 candidates have been placed for the 2016/2017 Candidacy Programme.	N/A	101	1		
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		100 interns placed for work integrated learning.	Achieved	130 placed. The over achievement of the target was possible through the established relationship with	N/A	459	964	-110%	The actual expenditure was fast tracked.

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			
							host employers through UoTs					
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.	One project on accreditation of BE academic programmes and institutions.	Report on accreditation academic programmes and institutions, submitted to BEMC, by 31 March 2017	240	Report on the BEPCs accreditation schedule for 2016/17	Achieved	None	None	60	48	20%	
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 Transformation initiatives within BEPs.	Developed Transformation Strategy by March 2017.	560	Report on the status of Transformation within the South African BE.	Partially Achieved	Draft report submitted.	The report will be submitted by the end of August.		0	100%	The service provider has been procured and the budget will be correct in the next quarter.

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 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			
3.1 An optimally functioning BE with a responsive and relevant policy and legislative framework based on informed and researched positions.	To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.	Number of initiatives on BE professionals employed at municipal, provincial and national departments by 31 March 2017.	Three partnership projects to support BE technical capacity within municipal, provincial, national and Departments completed by 31 March 2017.	815	Three signed MoAs with implementation plans.	Partially Achieved	MoA, with an implementation plan submitted to DPW.	Follow up with the other signatories to finalise the process.	112	24	78%	
3.2 An optimally functioning BE with a responsive and relevant policy and legislative	To provide informed and researched advice to Government on BE priority matters	Number of Initiatives to support infrastructure delivery in the public sector.	One partnership with the Office of the Chief Procurement Officer on infrastructure delivery in the public sector,	372	Signed MoA with the implementation plan.	Achieved	N/A	N/A	161	0	100%	

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			
framework based on informed and researched positions.	identified in the 2014 MTSF.		by 31 March 2017.									
3.3 An optimally functioning BE with a responsive and relevant policy and legislative framework based on informed and researched positions.	To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.	Number of advisory reports on the implementation of the OSD by DPW National and Provincial Departments to attract and retain BEPs.	Advisory report on the implementation of the OSD by DPW National and Provincial departments to attract and retain BEPs developed by 31 March 2017.	178	Literature Review Report on the implementation of the OSD by DPW National and Provincial departments.	Achieved	N/A	N/A	66	38	42%	
3.4 An optimally functioning BE with a responsive and relevant policy and legislative framework	To provide informed and researched advice to Government on BE priority matters identified in	Number of partnerships to promote labour intensive construction practices in BE projects.	One MoA with EPWP/ILO on programmes to promote labour intensive practices in BE projects by 31 March 2017.	272	Signed MoA, with an implementation plan.	Partially Achieved	MoA, with an implementation plan submitted to DPW.	Follow up with the other signatories to finalise the process.	25	0	100%	

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actuals						Actual Expenditure	% Variance	Corrective Action in case of poor spending
					Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget				
										R'000			
based on informed and researched positions.	the 2014 MTSF.												

Programme 4: Regulation and Oversight of six BEPCs

The strategic objective of Programme 4 is to ensure that the CBE acts 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 Targets and Actual							
				R'000	Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
					R'000	R'000	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 appeals submitted to CBE by persons aggrieved by decisions of the six BEPCs, finalised within statutory 60 days from lodgement.	100% finalisation of appeals within the statutory 60 days by 31 March 2016.	316	100% finalisation of appeals within 60 days.	Achieved	N/A	N/A	100	20	80%	Expenditure dependant on appeals received.
4.2 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	Implementation report of the CC decision on the IDoW exemption applications for the six BEPCs.	A report on engagements between the Competition Commission and the BE professional	3	A report on engagement with BE professional bodies on the IDOW exemption applications.	Achieved	N/A	N/A	50	0	100%	Expenditure to be incurred in upcoming quarters.

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actual								
					Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending	
				R'000				R'000	R'000				
	ethics within the BE.		bodies, by 31 march 2017.										
4.3 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.	Implementation analysis of CBE's corporate governance framework for the six BEPCs.	Final report on the progress made by the six BEPCs on the implementation of the Corporate Governance Framework, submitted to Council and DPW by 31 March 2017.	2	Monitor and report on the progress made by the six BEPCs on the implementation of the Corporate Governance Framework.	Achieved	N/A	N/A	0	0	N/A	Expenditure not required to complete project.	
4.4 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	Implementation programme of Ministerial approved BE policy frameworks and their translation into	Three workshops to facilitate the alignment of the Ministerial approved BE policy frameworks by the six BEPCs.	5	One workshop to facilitate the alignment of the Ministerial approved BE policy frameworks by the six BEPCs	Achieved	N/A	N/A	5	1	74%	Budgeted expenditure not required to complete project.	

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actual								
					Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending	
				R'000				R'000	R'000				
	ethics within the BE.	rules by six BEPCs.											
4.5 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.	PFMA compliance roadmap by the six BEPCs.	Submission of the six BEPCs' PFMA compliance report to DPW by 31 March 2017.	17	Assessment report on the compliance with PFMA roadmap by the six BEPCs.	Achieved The required assessment report was concluded.	N/A	N/A	50	0	100	Budgeted expenditure not required to complete project.	
4.6 Six 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.	Number of Strategic Plans, APPs and Annual Reports of the six BEPCs submitted to DPW.	Six BEPCs Strategic Plans, APPs and Annual Reports submitted to DPW by 31 March 2017.	50	Assessment report on the level of compliance by the six BEPCs to the Strategic Plan and APP of the CBE and DPW, and the development of a compliance roadmap.	Not Achieved	Only two BEPCs submitted their APP and Strategic Plans.	The BEPCs committed to submit in the second quarter.	0	0	N/A	N/A	

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actual							
					Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
				R'000				R'000	R'000			
4.7 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.	Adoption and implementation of an all-encompassing CBE Monitoring and Evaluation Framework By the six BEPCs.	Oversight report on the implementation of an all-encompassing CBE Monitoring and Evaluation Framework by the six BEPCs, submitted to Council and DPW by 31 March 2017.		Consultation with three BEPCs on the implementation of the Monitoring and Evaluation Framework.	Not Achieved	BEPCs postponed the planned meetings	The issue will be addressed in the next Registrars Forum set for August 2016.	0	0	N/A	N/A

PART D: EXPENDITURE REPORT

		<u>Quarter 1</u>				<u>YTD</u>			
<u>Account</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance %</u>	<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance YTD</u>	<u>YTD Variance %</u>
Income									
1000	Levies	401 814.00	0.00	401 814.00	0.00	401 814.00	0.00	401 814.00	0.00
2500	Grant Income	21 706 500.00	21 706 500.00	0.00	0.00	21 706 500.00	21 706 500.00	0.00	0.00
2751	Interest received - Investment	0.00	170 227.80	-170 227.80	-100.00	0.00	170 227.80	-170 227.80	-100.00
Total Income		22 108 314.00	21 876 727.80	231 586.20	1.06%	22 108 314.00	21 876 727.80	231 586.20	1.06%
Other Expense									
3025	Audit Fees	256 113.10	849 879.00	593 765.90	69.86%	256 113.10	849 879.00	593 765.90	69.86%
3050	Advertising and Promotions	-	35 000.00	35 000.00	100.00%	-	35 000.00	35 000.00	100.00%
3055	Fora	-	40 000.00	40 000.00	100.00%	-	40 000.00	40 000.00	100.00%
3110	CBE Awareness and Publicity	15 000.00	3 000.00	(12 000.00)	- 400.00%	15 000.00	3 000.00	(12 000.00)	- 400.00%
3115	CBE Events	-	160 000.00	160 000.00	100.00%	-	160 000.00	160 000.00	100.00%
3200	Bank Charges	14 458.87	7 776.00	(6 682.87)	-85.94%	14 458.87	7 776.00	(6 682.87)	-85.94%

<u>Account</u>		<u>Quarter 1</u>				<u>YTD</u>			
		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance %</u>	<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance YTD</u>	<u>YTD Variance %</u>
3220	Council Honorarium - Meetings	167 744.50	210 896.00	43 151.50	20.46%	167 744.50	210 896.00	43 151.50	20.46%
3222	Council Honorariums - Other	-	20 825.00	20 825.00	100.00%	-	20 825.00	20 825.00	100.00%
3225	Catering	31 391.81	47 825.00	16 433.19	34.36%	31 391.81	47 825.00	16 433.19	34.36%
3230	Consulting fees	842 929.67	589 948.00	(252 981.67)	-42.88%	842 929.67	589 948.00	(252 981.67)	-42.88%
3233	Mentors	903 000.00	420 000.00	(483 000.00)	- 115.00%	903 000.00	420 000.00	(483 000.00)	- 115.00%
3260	Communications	58 854.38	105 000.00	46 145.62	43.95%	58 854.38	105 000.00	46 145.62	43.95%
3300	Computer expenses	183 481.47	-	(183 481.47)	- 100.00%	183 481.47	-	(183 481.47)	- 100.00%
3400	Courier and Postage	2 785.35	7 300.00	4 514.65	61.84%	2 785.35	7 300.00	4 514.65	61.84%
3650	Electricity and Water	91 927.21	120 750.00	28 822.79	23.87%	91 927.21	120 750.00	28 822.79	23.87%
3850	Insurance	64 613.96	87 000.00	22 386.04	25.73%	64 613.96	87 000.00	22 386.04	25.73%
4170	Parking and Landscaping	166 372.52	124 779.00	(41 593.52)	-33.33%	166 372.52	124 779.00	(41 593.52)	-33.33%
4200	Printing and Stationery	1 088.77	18 000.00	16 911.23	93.95%	1 088.77	18 000.00	16 911.23	93.95%

<u>Account</u>		<u>Quarter 1</u>				<u>YTD</u>			
		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance %</u>	<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance YTD</u>	<u>YTD Variance %</u>
4295	Building Costs	12 788.98	30 550.00	17 761.02	58.14%	12 788.98	30 550.00	17 761.02	58.14%
4300	Rent Paid	1 306 531.56	979 899.00	(326 632.56)	-33.33%	1 306 531.56	979 899.00	(326 632.56)	-33.33%
4301	Rates and Taxes	-	72 804.00	72 804.00	100.00%	-	72 804.00	72 804.00	100.00%
4350	Repairs and Maintenance	4 866.60	7 200.00	2 333.40	32.41%	4 866.60	7 200.00	2 333.40	32.41%
4400	Salaries and Wages	3 496 306.60	6 257 796.00	2 761 489.40	44.13%	3 496 306.60	6 257 796.00	2 761 489.40	44.13%
4420	PAYE	1 385 533.28	70 299.00	(1 315 234.28)	- 1870.91 %	1 385 533.28	70 299.00	(1 315 234.28)	- 1870.91 %
4430	Company contribution: Medical Aid	191 507.00	-	(191 507.00)	- 100.00%	191 507.00	-	(191 507.00)	- 100.00%
4440	Company contribution: Provident Fund	660 729.03	-	(660 729.03)	- 100.00%	660 729.03	-	(660 729.03)	- 100.00%
4445	Staff Training, Development	17 345.00	79 600.00	62 255.00	78.21%	17 345.00	79 600.00	62 255.00	78.21%
4450	Staff Training	-	13 000.00	13 000.00	100.00%	-	13 000.00	13 000.00	100.00%
4500	Staff Welfare	20 451.51	43 900.00	23 448.49	53.41%	20 451.51	43 900.00	23 448.49	53.41%

<u>Account</u>		<u>Quarter 1</u>				<u>YTD</u>			
		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance %</u>	<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance YTD</u>	<u>YTD Variance %</u>
4650	Travel and Accommodation	243 526.47	419 598.00	176 071.53	41.96%	243 526.47	419 598.00	176 071.53	41.96%
4651	International Travel	-	10 000.00	10 000.00	100.00%	-	10 000.00	10 000.00	100.00%
4750	UIF	30 470.62	-	(30 470.62)	- 100.00%	30 470.62	-	(30 470.62)	- 100.00%
Total Other Expense		10 169 818.26	10 832 624.00	662 805.74	6.12%	10 169 818.26	10 832 624.00	662 805.74	6.12%
Loss Before Tax		11 938 495.74	11 044 103.80	894 391.94	8.10%	11 938 495.74	11 044 103.80	894 391.94	8.10%

PART E: HUMAN RESOURCES EXCEPTION REPORT

Recruitment and Selection:

No recruitment and selection was processed during the quarter.

Staff Movement:

Internal appointments for the positions of BE Workplace Training Specialist, Communications and Stakeholder Relations Specialist, and the General Office Assistant were concluded; and incumbents reported for duty at the beginning of the quarter. The new Finance Manager also assumed duty in the month of April 2016.

Two fixed term terminations were processed during the quarter, and these are as follows: the contract of Paralegal expired and the fixed term Committee Secretary resigned at the end of June 2016. The permanent incumbent, Committee Secretary, remains seconded by the Executive Authority until September 2016.

Table 13: Permanent Employees

APRIL 2016										
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	1	1	0	2	1	3
MAY 2016										
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	1	1	0	2	1	3
JUNE 2016										
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	1	1	0	2	1	3

Staff Turnover:

Number of employees at beginning of quarter and at end of quarter (32+32)

Divide by 2 = Total (64÷2 = 32)

Divide terminations over Total x 100 = turnover % (0÷32 x 100 = 0%)

The table above reflects 0 movements during the period under review.

Table 14: Racial and Gender Equity

Population group	Male			Female			Total		
	No.	% male population		No	% female population		No	% of total Population	
		CBE	SA Population		CBE	SA Population		CBE	SA Population
African	5	50.00	80.6	16	72.73	80.40	21	65.63	80.50
Coloured	1	10.00	8.70	1	4.55	8.90	2	6.25	8.80
Indian/Asian	1	10.00	2.60	2	9.09	2.40	3	9.38	2.50
White	3	30.00	8.20	3	13.64	8.30	6	18.75	8.30
Total	10	100.00		22	100.00		32	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 the appointment of African male and female, as well as Coloured female at its next recruitment opportunity.

Employee Relations

A Commission for Conciliation, Mediation & Arbitration (CCMA) award was received in favour of two out of four past employees whose contracts had expired. A review of the award was filed with the Labour Court. The employer's application to stay the enforcement for reinstatement has since been granted by the Labour Court. The review of the court date is awaited. One of the past employees, whose application was unsuccessful, has also filed for a review of the CCMA award, in which the CBE is one of the respondents. An opposing application has been filed in this regard. A CCMA hearing on matters of mutual interest concluded with a certificate to strike regarding a dispute on the implementation of the organisational structure. The CEO's disciplinary hearing sessions were held while she remained on suspension during the period of reporting.

Leave

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

Table 15: Leave

Type of leave	April 16		May 16		June 16		TOTAL	
	Employees	Days	Employees	Days	Employees	Days	Employees	Days
Annual Leave	14	38	14	44	17	37	27	119
Sick Leave	4	7	5	11	8	19	11	37
Family Responsibility	2	4	4	10	5	2	6	19
Unpaid leave	0	0	0	0	0	0	0	0
Study leave	2	6	4	10	6	2	4	22
Maternity Leave	0	0	0	0	0	0	0	0
Paternity leave	0	0	0	0	0	0	0	0
Suspension	1	20	1	21	1	21	1	62

Absenteeism

Absenteeism is benchmarked at a 4% industry average. A total of 115 unplanned man-days were lost during the quarter resulting in above average absenteeism rate of 5.06%.

Table 16: Absenteeism

April 2016												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	SUS	Total Man-days lost	Total Staff Complement	Absentee %
14	38	4	7	2	4	2	6	1	20	31	35	4.09%
May 2016												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	SUS	Total Man-days lost	Total Staff Complement	Absentee %
14	44	5	11	4	10	4	10	1	21	42	35	5.54%
June 2016												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	SUS	Total Man-days lost	Total Staff Complement	Absentee %
17	37	8	19	5	2	6	2	1	21	42	35	5.54%
Total for the period under review												
45	119	17	37	11	16	12	18	3	62	115	35	5.06%

Legend:

Formula: Absenteeism % = Man-days lost /Product of Average No of workdays for the period by staff complement X 100.
Whereas Average No. of workdays = 21.67 days per month.

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

- #Empl: Number of employees
- AL: Annual leave
- SL1: Sick leave
- FRL: Family Responsibility leave
- SL2: Study leave
- UL: Unpaid leave
- N/A: Not Applicable