



## **2<sup>nd</sup> QUARTER PERFORMANCE INFORMATION FOR THE FINANCIAL YEAR 2017/18**

Second Quarter 2017/18: 01 July – 30 September 2017

## APPROVAL

This Quarterly Report was approved by:



---

P. Mdlalose (Ms)

**Chief Executive Officer**

<b>1. ACRONYMS AND DEFINITIONS USED IN THE REPORT</b>	<b>6</b>
<b>PART A</b>	<b>9</b>
<b>EXECUTIVE SUMMARY</b>	<b>9</b>
<b>2. EXECUTIVE SUMMARY</b>	<b>10</b>
<b>PART B</b>	<b>12</b>
<b>GOVERNANCE</b>	<b>12</b>
<b>1. INTRODUCTION</b>	<b>13</b>
<b>3.1 EXECUTIVE AUTHORITY</b>	<b>13</b>
<b>3.2 THE ACCOUNTING AUTHORITY</b>	<b>13</b>
<b>3.3 COMPOSITION OF THE COUNCIL</b>	<b>14</b>
<b>Committees of Council:</b>	<b>16</b>
<b>Statutory Committees</b>	<b>16</b>
<b>Other Committees</b>	<b>16</b>
<b>Executive Committee</b>	<b>16</b>
<b>Audit and Risk Committee</b>	<b>18</b>
<b>Finance, Human Resources and Legal Committee</b>	<b>19</b>
<b>Meetings of Council</b>	<b>22</b>
<b>Remuneration of Council members</b>	<b>26</b>
<b>3.4 RISK MANAGEMENT</b>	<b>27</b>
<b>3.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT</b>	<b>28</b>
<b>3.6 INTERNAL AUDIT</b>	<b>28</b>
<b>Internal Audit Function</b>	<b>28</b>
<b>3.7 COMPLIANCE WITH LEGISLATION AND PROCEDURES</b>	<b>28</b>
<b>3.8 FRAUD AND CORRUPTION</b>	<b>29</b>
<b>3.9 MINIMISING CONFLICT OF INTEREST</b>	<b>29</b>
<b>3.10 CODE OF CONDUCT</b>	<b>29</b>
<b>3.11 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES</b>	<b>29</b>
<b>3.12 TRAINING AND DEVELOPMENT</b>	<b>30</b>
<b>3.13 SUPPLY CHAIN MANAGEMENT</b>	<b>30</b>
<b>PART C</b>	<b>35</b>
<b>PERFORMANCE INFORMATION</b>	<b>35</b>
<b>1. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE</b>	<b>36</b>
<b>4.1 Programme 1: Administration</b>	<b>36</b>
<b>4.2 Programme 2: Skills for Infrastructure Delivery</b>	<b>37</b>
<b>4.3 Programme 3: Built Environment Research, Information and Advisory</b>	<b>44</b>
<b>4.4 Programme 4: Regulation and Oversight of six BEPCs</b>	<b>48</b>
<b>4.5. Programme 5: Government Policies and Priorities</b>	<b>52</b>



<b>PART D</b> .....	53
<b>EXPENDITURE REPORT</b> .....	53
<b>PART E</b> .....	53
<b>HUMAN RESOURCE EXCEPTION REPORT</b> .....	53



## TABLE INDEX

NO	TITLE	PAGE
1	Achievement status of quarterly targets	10
2	Fourth Term Council	15
3	Audit and Risk Committee membership	19
4	Council Committees composition and meetings	24
5	Council Remuneration	26
6	Procurement for the second quarter	30
7	Candidate Profiles for 2017/18	40
8	Interns Fields of Study	41
9	Accreditation of Learning Programmes	42
10	Employee Statistics	71
11	Racial and Gender Equity	72
12	Employee Leave	73
13	Absenteeism rate	74

# 1. ACRONYMS AND DEFINITIONS USED IN THE REPORT

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



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



SIPs	Strategic Infrastructure Projects
ToR	Terms of Reference
UoT	University of Technology
WIL	Work Integrated Learning

### Committees of Council

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

### Councils for the Built Environment Professions (CBEP)

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

### CBE Programmes

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



**PART A**  
**EXECUTIVE SUMMARY**



## 2. EXECUTIVE SUMMARY

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

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

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

The 2017/18 APP has 20 quarterly targets set for the second quarter. Of these, seventeen 85(%) were achieved, one (5%) was partially achieved and two (10%) were not achieved. The reasons for the non-achievement of two targets were as follows:

- The protracted Supply Chain Management (SCM) process to procure the services of an appeal committee. The appeal hearing was held on 11 September 2017 and the outcome is expected by the end of October 2017.
- Twenty candidates were placed whereas the target requires that 25 candidates are placed during the quarter.

The partial achievement of one target was due to the Disaster Recovery Plan, although drafted, was not approved by Finance, Human Resources and Legal Committee (FHLC). It will be presented at the next sitting of the FHLC.

**Table 1: Achievement status of quarterly targets**

APP Programme	Number of quarterly targets	Achieved	Partially Achieved	Not Achieved
Programme 1	3	2	1	0



Programme 2	6	5	0	1
Programme 3	3	3	0	0
Programme 4	6	5	0	1
Programme 5	2	2	0	0
<b>Quarter 2 total targets</b>	<b>20</b>	<b>17</b>	<b>1</b>	<b>2</b>

The highlights for the quarter under review were the following:

- WAN infrastructure was upgraded.
- 67% of audit findings have been resolved.
- A total of 150 learners are enrolled in the 2017 Maths and Science support programme. A Progress Report for the enrolled learners in both areas was compiled.
- Twenty additional candidates were placed during the second quarter, taking the total to 50.
- Fifty interns were assessed during CBE's monitoring and evaluation visits, individual monitoring and evaluation forms were signed to confirm assessment.
- The CBE attended all accreditation visits scheduled during the quarter and reported on the compliance of the Councils for Built Environment Professions ( CBEP) e with the Council for Higher Education (CHE) criteria.
- A draft Corporate Governance Framework was developed, comprising of seventeen principles with recommended practices of King IV.
- The newly appointed Minister of Public Works , the Honourable Nathi Nhleko ,on the 19 July 2017 visited the CBE to meet the CBE council and staff and to share his policy statement and strategic priorities
- The CBE hosted a Transformation Indaba in partnership with DPW on 29 August 2017 under the theme *Empowering the Nation*. A declaration of intent was signed by stakeholders, committing to collaborative efforts in addressing transformation challenges in the built environment.
- A workshop, discussing the need for CBEP to be listed in terms of the PFMA to enhance good governance, were conducted on 27 September 2017, attended by CBEP, CBE , DPW and NT representatives.
- The six CBEP and CBE's annual reports were tabled in Parliament on 29 September 2017 as per the statutory requirement.



**PART B**  
**GOVERNANCE**



## 1. INTRODUCTION

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

- a. Providing strategic direction to the CBE.
- b. Approving policy to put strategy into effect.
- c. Providing informed oversight of implementation and performance.
- d. Disclosing (Reporting).

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

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

Council agreed to an external performance assessment of its membership. Discussions are underway with the Department of Public Works (DPW) for this exercise.

### 3.1 EXECUTIVE AUTHORITY

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

### 3.2 THE ACCOUNTING AUTHORITY

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

- a. To advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and



the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;

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

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

### **3.3 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 of Public Works (DPW);
- b. Not more than three persons nominated by state departments within whose functional areas the professions are also practised;
- c. Two representatives nominated by each council for the professions; and



d. Not more than four persons nominated by the public.

The CBE Act stipulates a formal process for the appointment of members. The Minister appoints the Chairperson, Deputy-Chairperson and members of the Council for a period of four years. A Company Secretary supports the Council and its Committees on governance matters. The Chief Executive Officer (CEO) and CBE staff is responsible for operational matters.

**Table 2: Fourth Term Council**

Name	Designation ( <i>Section of the Act in terms of which appointment was made</i> )	Date Appointed	Date Resigned
IM Nkosi (Chairperson)	Section 5(2)(c) Nominated by SACPCMP	1 August 2014	-
NF Sithole (Deputy Chairperson)	Section 5(2)(d) Public representative	1 August 2014	-
Adv. DJ Block	Section 5(2)(d) Public representative	1 August 2014	16 February 2015
CA Breed	Section 5(2)(c) Nominated by SACLAP	1 August 2014	-
IS Kgomo	Section 5(2)(b) Representative Department of Public Enterprise	1 August 2014	31 December 2014
ND Lombard	Section 5(2)(c) Nominated by SACAP	1 August 2014	-
N Maharaj	Section 5(2)(d) Public representative	1 August 2014	06 May 2015
EG Makongwana	Section 5(2)(c) Nominated by SACPVP	1 August 2014	-
JL Margolius	Section 5(2)(c) Nominated by SACPVP	1 August 2014	-
Dr ZT Mathe	Section 5(2)(c) Nominated by ECSA	1 August 2014	-
T Matunda	Section 5(2)(c) Nominated by SACQSP	1 August 2014	11 February 2015
D Michell	Section 5(2)(c) Nominated by SACPCMP	1 August 2014	-
Prof KA Michell	Section 5(2)(c) Nominated by SACQSP	1 August 2014	-
C Mtshisa	Section 5(2)(a) Representative Department of Public Works	1 August 2014	-
ZC Mvalo	Section 5(2)(b) Representative Department of Higher Education	1 August 2014	-
A Sassenberg	Section 5(2)(c) ECSA	1 August 2014	-
RG Sefothlo	Section 5(2)(d) Public representative	1 August 2014	-
AA Steyn	Section 5(2)(c) Nominated by SACLAP	1 August 2014	02 February 2016
S Thubane	Section 5(2)(c) Nominated by SACAP	1 August 2014	-



MM Tshangela	Section 5(2)(c) Representative Department of Environmental Affairs	1 August 2014	-
--------------	---	---------------	---

## Committees of Council:

### Statutory Committees

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

### Other Committees

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

### Executive Committee

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

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

- a. Ensure that the resolutions of the Council are carried out.
- b. Consider any matter delegated to it by the Council in terms of any law, and advise the Council in connection therewith.
- c. Prepare estimates of revenue and expenditure of the Council.
- d. Control the expenditure of monies voted by Council in its approved estimates and all other monies or funds made available by the Council.
- e. Exercise or perform any power, duty or function delegated to it by the Council and such other powers as may be delegated to it by Council in terms of section 16 of the CBE Act.
- f. Report at every ordinary meeting of the Council on the activities of the committee.
- g. *It is noted that (a) to (f) above are functions allocated to the EXCO by legislation. It must however be noted that Council, as the Accounting Authority, is empowered to consider all relevant steps to ensure good governance and adequate financial control. The need for Council not to involve itself in operational matters dictate that the functions (c) and (d) be*



*performed by the CBE administration, as per the delegation of authority by Council, and overseen by Council supported by the Audit and Risk Committee (ARC).*

- h. Oversee Risk Governance with reference to :
- (i) The review of performance information as per the quarterly and annual reports prepared by management,
  - (ii) The review of mitigating measures proposed by management to address identified performance shortfalls and other identified risks, and monitor and assist management in its execution of mitigating measures and/or propose mitigating measures.
- i. Make recommendations to Council on the above and inform Council of decisions finalised in terms of the Council's delegation.

EXCO held a regular meeting on 27 July 2017 to consider the matters below:

- CBE's First Quarter Report was approved for statutory submission.
- It was resolved that a report be submitted to the Portfolio Committee regarding the challenges experienced with investigations into the Competition Commission / CIDB Collusion matter.
- The Auditor-General South Africa's (AGSA's) management letter and audit report of an unqualified audit with findings was noted.
- It was resolved that the updated financials and AFS (annual financial statements) are circulated for approval by written vote.
- The stakeholder interventions of the first quarter were noted.
- The update report on the Competition Commission / IDoW matter was noted.
- The Strategic Risk Register was noted.
- The Information Technology (IT) Governance Report, outlining IT activities and time lines, was noted.
- The Legal Compliance Report with no compliance breaches was noted.
- The "no progress" on the former CEO's labour matter was noted; the matter is in the hands of the former CEO should she wish to pursue the matter further.
- The "no feedback" from the Minister's Office regarding the CBE CEO Recruitment report was noted.
- It was resolved that the Minister's vision and priorities are included in the deliberations at the Council Strategic Planning session.
- The court application, instituted by South African Institution of Civil Engineering (SAICE) against the Minister and the Engineering Council of South Africa (ECSA), seeking to review



of the appointment process of ECSA's Council was noted. The matter would be tabled at the next Council meeting for a decision.

- Decision on procurement for the Transformation Indaba and donations to Council would be taken by written vote.
- Council's and EXCO's resolution registers were noted.

## **Audit and Risk Committee**

The ARC is constituted in terms of Section 77 of the PFMA, read with Chapter 9 of the Treasury Regulations. The ARC consists of three external members and two Council members. The ARC Chairperson is an external member. The ARC assesses CBE's risks, with reference to the entity's available resources, expertise, experience of financial management, SCM, and the internal audit function. The ARC has a policy that outlines its terms of reference.

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

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



**Table 3: Audit and Risk Committee membership**

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned
D Coovadia	External Member		6 December 2010(1 <sup>st</sup> Term) 6 December 2014 (2 <sup>nd</sup> Term)	
Ms. M Mothipe	External Member		8 February 2013 (1 <sup>st</sup> Term) 6 December 2014 (2 <sup>nd</sup> Term)	7 August 2017
F Docrat	External member		6 December 2014 (1 <sup>st</sup> Term)	
Ms.NF Sithole	Council Member		1 August 2014	
Ms. N Maharaj	Council Member		1 August 2014	06 May 2015
JL Margolius	Council Member		Appointed by Council on 27 May 2015.	18 May 2017
Ms. A Lee	Council Member		Appointed by Council on 26 May 2017	

The ARC held one regular meeting during the quarter, on 24 July 2017, and the following were discussed:

- The first quarterly Performance Report was noted and recommended for adoption by EXCO. The audited annual financial statements, AGSA management letter and audit report was noted. Management was commended for the unqualified audit opinion.
- The quarter 1 Finance Report was noted.
- The quarter 1 Corporate Governance Report was noted.
- The IT Roadmap was noted.
- The AGSA was requested to introduce an interim audit during the first two weeks of December to do planning, control testing and audit work. The matter was referred to EXCO.

### Finance, Human Resources and Legal Committee

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

**(i) Finance**



- a. Consider matters of financial strategy and policy (including procurement and SCM), risk management and insurance as they relate to the operation of the CBE, in particular the optimum use of available and potential financial resources (including internal investment options and their rate of return).
- b. Consider and assess investment opportunities available to the CBE in respect of all funds, which it administers, and determine the manner and extent to which funds are to be invested with a view to ensuring both security and optimisation of income.
- c. Review the annual financial statements of the CBE in conjunction with ARC, and make recommendations to Council.
- d. Receive and consider budget proposals from the Executive and recommend the annual operating and capital budgets to Council.
- e. Monitor compliance with the PFMA in respect of matters relating to the CBE Act.
- f. Review the adequacy of the working capital by comparing cash focus against the actual.
- g. Receive reports of fraud relating to the CBE.
- h. Report on activities of the Committee at every ordinary meeting of the Council.
- i. Establish an annual work plan to ensure that all relevant matters of the Committee's roles and responsibilities are covered.

**(ii) Human Resources**

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



### **(iii) Legal**

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

A regular meeting of the FHLC, set for 17 August 2017, discussed:

- The Quarter 1 Expenditure Report was noted.
- It was resolved that the revised 2017/18 budget is recommended to Council for approval.
- The disposal of certain obsolete movable assets was approved.
- The Annual Financial Statements were noted.
- The signed Auditor's report was noted.
- The AGSA Management report was noted.
- The quarter 1 Procurement report was noted.
- The Human Resources report was noted.
- It was resolved to refer the Knowledge Management and IT (KMIT) reporting line to Council for further deliberation and decision.
- The IT Governance report was noted.
- A report on the finalisation of appeals during the quarter was noted.
- The consolidated action plan for Corporate Governance was noted.
- The Social and Ethics Implementation Plan was noted.
- The Compliance report was noted.
- The Resolution Register was noted.

### **Built Environment Matters Committee**

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

- a. Consider progress reports from management on the achievement of the APP targets per Programme, propose remedial action where required to management and follow up on the implementation thereof through the Project Champions.
- b. Project champions are members of the BEMC allocated the role to promote specific APP targets.
- c. Receive reports and information required in terms of the APP on behalf of Council.
- d. Monitor and guide the CBE's Transformation Strategy.



- e. Monitor and guide the CBE's Stakeholder Management Strategy.
- f. Receive and consider information reported by the six councils for built environment professions (CBEP) to the CBE on a quarterly basis, and recommend remedial steps or intervention where required.
- g. Monitor the execution of actions required of the CBE by the CBE EXCO/President's Forum.
- h. Consider and recommend all CBE policies not considered by the FHLC to Council.

One meeting of the BEMC took place on 13 July 2017, where the following were discussed and resolved:

- The PFMA Compliance report and PFMA workshop between National Treasury, CBE, DPW and the CBEP were noted.
- The research capacity issues was tabled for discussion at the Strategic Planning session.
- The sign-off of the Transformation Model by the Chairperson was noted.
- The update report on the Transformation Indaba was noted.
- The first Quarter performance and progress on unachieved targets of 2016/17 was noted.
- The revised project scopes were presented and approved and Champions of the BEMC identified for each project.
- A revised Marketing and Communications Committee Terms of Reference to be submitted for consideration.
- The Foreign Professionals Working Group also met, as scheduled on 13 July 2017.
- The Resolution Register was noted.

## **Meetings of Council**

A Council meeting was held on 24 August 2017. The following were discussed and resolved:

- The EXCO Chairperson's Report was noted.
- The Minister's approval to proceed with the CEO's Recruitment was noted.
- The status quo regarding the former CEO's labour dispute was noted.
- Council noted the progress report on IDoW. Adams and Adams would be providing the outcome of the benchmarking exercise on other professions by end of September 2017.
- Council noted that the report on the outcome of the investigation of the collusion matter is to be prepared for the Portfolio Committee. However, not having the names of those involved debilitates the investigation by the CBE and the CBEP.



- Council resolved not to oppose ECSA's court application, but join the proceedings as an interested party in the SAICE-Minister- ECSA matter.
  - The ARC Chairperson's Report was noted.
  - Council noted the unqualified audit with findings.
  - The AGSA's proposal for an interim audit in December 2017 for planning, control testing and audit work was noted.
  - Council noted the resignation of Ms Kgodu Mothipe, an ARC member. Management was requested to proceed with filling the vacancy.
  - Council noted the IT Governance report and presentation on the ICT action plan.
  - Council approved the IT Governance Framework, as recommended by ARC.
  - The final draft of the Annual Report was approved as recommended by ARC, subject to confirmation that proposed amendments have been made.
  - The FHLC Chairperson's Report was noted.
  - The Quarter 1 Expenditure Report was noted.
  - The Amended Procurement Plan was noted.
  - The revised 2017/18 Budget, as recommended by FHLC, was approved.
  - The Travel Management bid, as recommended by FHLC, was approved.
  - Council resolved to move the IT reporting line from the Chief Operations Officer (COO) to the Chief Financial Officer (CFO), as recommended by FHLC.
  - The BEMC Chairperson's Report was noted.
- 
- Council noted that the Transformation Model must be signed off officially.
  - Progress on the Transformation Indaba was noted.
  - The targets not achieved in Quarter 1 2017/2018 financial year were noted; of which were mainly reliant on the CBEP. The alignment of the submission dates with CBEP were to be facilitated and monitored.
  - Council approved the Marketing, Communications and Stakeholder Management Committee's Terms of Reference (ToR) as recommended by BEMC, subject to corrections on Items 5.4.3.3 to 5.4.3.5.
  - The Acting CEO's report was noted.
  - The Strategic Risk Register was noted.
  - The Consolidated Corporate Governance Action Plan was closed by Council as all matters have been concluded.
  - The update on the Social and Ethics implementation plan was noted.
  - The Compliance Report was noted, with no specific breaches reported.



- Council noted the quotation for the external Council Assessment was in excess of the budgeted amount. An internal assessment, including the interviews, will be considered if all the quotations exceed the budgeted amount.
- In the unresolved CBE Appeal decision of SACPVP, Council resolved to:
  - Approve the institution of legal proceedings against SACPVP.
  - Delegate EXCO to oversee the process and approve all expenditure before incurred.
- Council noted the presentation on the proposed amendments to the CBE Act.
- Council resolved that the skills gap analysis be added in the risk register for monitoring.
- Council Resolution Register was noted.

A Special Council meeting was held on 21 September 2017 to discuss:

- The recommendation by the ARC for the appointment of a CEO.
- The recommendation by the ARC for the CFO position.
- Presentation on the proposed amendments to the CBE Act.

### Vacancies in Council

Currently, there are five vacancies in the CBE Council. Recommendations have been made to the Minister to appoint Council members in these vacancies. The statutory requirement of the Minister filling vacancies within 60 days has not been complied with. Vacancies in the councils for the professions have, similarly, not been filled.

**Table 4: Council Committees composition and meetings**

Council Committee	Number of meetings planned	Number of meetings held	Committee membership	Meeting Attendance	
<b>EXCO</b>				<b>27 July 17</b>	-
	1	1	IM Nkosi (Chairperson) NF Sithole (Deputy-Chairperson) Prof KA Michell Dr ZT Mathe S Thubane (Alternate Member)	Yes No Yes Yes Yes	
<b>ARC</b>				<b>24 July 17</b>	
	1	2	D Coovadia M Mothipe F Docrat NF Sithole	Yes Yes Yes No	



Council Committee	Number of meetings planned	Number of meetings held	Committee membership	Meeting Attendance	
			A Lee (Sassenberg)	Yes	
<b>FHLC</b>				<b>17 Aug 17</b>	<b>-</b>
	1	1	Prof KA Michell (Chairperson)	Yes	
			ND Lombard	Yes	
			JL Margolius	Yes	
			A Lee (Sassenberg)	No	
			IM Nkosi	Yes	
			RS Sefotlho	Yes	
			ZC Mvalo	No	
<b>BEMC</b>				<b>13 July 17</b>	<b>-</b>
	1	1	Dr ZT Mathe	Yes	
			Mr IM Nkosi	No	
			CA Breed	Yes	
			EG Makongwana	Yes	
			D Michell	Yes	
			C Mtshisa	No	
			ZC Mvalo	No	
			RG Sefotlho	Yes	
			S Thubane	Yes	
			MM Tshangela	Yes	
<b>Council</b>				<b>23 Aug 17</b>	<b>21 Sept 17</b>
	1	1	IM Nkosi (Chairperson)	Yes	Yes
			NF Sithole (Dep Chairperson)	Yes	Yes
			CA Breed	Yes	No
			ND Lombard	Yes	Yes
			EG Makongwana	Yes	No
			JL Margolius	Yes	No
			Dr ZT Mathe	Yes	Yes
			D Michell, Mr	Yes	Yes
			Prof KA Michell	Yes	No
			C Mtshisa	Yes	Yes
			ZC Mvalo	No	Yes
			A Lee (Sassenberg)	Yes	Yes
			RG Sefotlho	Yes	Yes
			S Thubane	Yes	Yes
			MM Tshangela	No	No
				-	



## Remuneration of Council members

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

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

- C Mtshisa
- ZC Mvalo
- MM Tshangela

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

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

**Table 5: Council Remuneration**

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

Name	Remuneration	Other allowance	Other re- imbursements	Total
IM Nkosi (Chairperson)	37 024	-	5 963	42 987
NF Sithole (Deputy Chairperson)	-	-	-	-
CA Breed	6 432	-	418	6 850
ND Lombard	9 648	-	877	10 525
N Maharaj (Resigned PY)		-		



Name	Remuneration	Other allowance	Other re-imbursments	Total
EG Makongwana	6 432	-	-	6 432
JL Margolius	12 864	-	-	12 864
Dr ZT Mathe	3 456	-	1 264	4 720
T Matunda	-	-	-	-
D Michell	9 648	-	1 198	10 846
Prof KA Michell	13 506	-	2 395	15 901
C Mtshisa	-	-	-	-
ZC Mvalo	-	-	-	-
A Lee (Sassenberg)	6 432	-	9 447	15 879
RG Sefotho	12 864	-	1 088	13 952
AA Steyn (Resigned PY)	-	-	-	-
S Thubane	6 432	-	-	6 432
MM Tshangela	-	-	-	-
D Coovadia (Audit Committee External Member)	28 060	-	2 468	30 528
M Mothipe (Audit Committee External Member)	22 448	-	169	22 617
F Docrat (Audit Committee External Member)	22 448	-	1 223	23 671

### 3.4 RISK MANAGEMENT

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



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

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

### **3.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT**

During the quarter under review, the AGSA finalised the 2016/17 financial year audit. The audit covered all areas within the CBE viz. performance, finance, SCM, IT and HR. The entity received an unqualified audit report. All the necessary audit documentation was submitted to National Treasury by the prescribed deadline. CBE performed a detailed analysis of the findings, and is in the process of implementing action plans for all findings raised. These action plans will be updated on a quarterly basis to monitor all findings raised, and will be submitted to the relevant Council committees for monitoring thereof.

### **3.6 INTERNAL AUDIT**

#### **Internal Audit Function**

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

During the quarter under review, OMA submitted the annual internal audit plan, as well as the three-year rolling strategy to ARC.

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

- First Quarter audit of predetermined objectives; and
- Review of project scopes to confirm alignment with the 2017/18 APP.

### **3.7 COMPLIANCE WITH LEGISLATION AND PROCEDURES**

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

### **3.8 FRAUD AND CORRUPTION**

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

During the quarter under review, a new service provider was appointed for a period of three years to monitor the CBE fraud hotline. A fraud awareness workshop was also conducted with staff. Thus far, no incidents have been reported to the hotline. The previous tip off to the fraud hotline was investigated and is awaiting the final interview with a staff member to close the matter.

### **3.9 MINIMISING CONFLICT OF INTEREST**

Declaration of interest registers were presented at all meetings of Council and its Committees during the quarter.

### **3.10 CODE OF CONDUCT**

In line with the Code of Conduct, new employees sign a declaration of interest form upon joining the CBE. All employees are reminded annually not to have private business dealings that are in conflict with the core business of the CBE, such as with Government institutions in South Africa.

To date five employees have not submitted their declaration of interest forms. Of those received, 25 employees declared no business interests, while four disclosed business interest. These will be investigated to determine if any conflict of interest exists.

### **3.11 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES**

Health and Safety committee meetings are held quarterly to discuss issues of concern. A meeting was held with the building management to discuss emergency procedures. An unplanned evacuation, which turned out to be a false alarm, was held.

Health and safety awareness posters are displayed regularly throughout the building. Wellness articles were circulated on topics such as bone marrow, healthy eating, brain stimulation, environmental toxins.

### 3.12 TRAINING AND DEVELOPMENT

Educational assistance from accredited institutions continued for employees' development. In accordance with the 2017/18 Training Plan, 17 employees have been booked for training. This number includes managers scheduled for King IV Corporate Governance, a short course for junior management, and one employee for an Accounts Assistance course.

### 3.13 SUPPLY CHAIN MANAGEMENT

The table below indicates the total procurement spend on historically disadvantaged individuals' (HDIs) share as 91%. White males account for 9%, and 0% of this spend is attributable to state owned entities. The CBE will continuously endeavour to increase its HDI percentage.

**Table 6: Procurement for the second quarter**

Procurement Threshold Values	Procurement Spend		Deviations from Normal Procurement Process			Contracts ending within the next 6 months & extended
	No. of awards	Total Value	Emergency (R)	Sole Supplier (R)	Impracticality (R)	
<b>0 - R2000</b>	36	R 29794.25	N/A	N/A	N/A	
<b>R2100 - R10 000</b>	6	R 34 020.50	N/A	R 3 844.14	N/A	
<b>R10 100 - R499 000</b>	13	R1 201 793.70	N/A	N/A	R 131 819.00	- E2 Solutions (Website upgrade) (ending) -The Complied Services (Supply of Groceries) (ending)  <b><i>Highlighted above are contracts that will be ending in the next 6 months and not contracts to be extended.</i></b>



Procurement Threshold Values	Procurement Spend		Deviations from Normal Procurement Process			Contracts ending within the next 6 months & extended
<b>R500 000 +</b>	1	R 634 980.00	N/A	N/A	R 634 980.00	

Pricing Variations				
Supplier	Original Quote	Price Variation	% Variation	Comments (if applicable)
PWC	R 62 114	R 89 000	143.28%	
CTH	R 74 409.60	R80 538.33	108.24%	
Crea8tor Global Corp	R 143 451.10	R 16 483.26	11.49%	
OMA Chartered Accountants	R 546 404.28	R 30 011.64	5.49%	
E-novative Africa	R 87 520.00	R 78 796.80	90.03%	

Outstanding Orders (Payment not made due to outstanding invoice)				
No	Supplier	Due Date	Amount	Comments (if applicable)
1	Inkwazi Media	26/04/2017	R 4900.00	Paid
2	Basadzi Personnel CC	26/04/2017	R 15988.43	Paid
3	Andisa Corporate Finance	03/05/2017	R 13920.00	Paid
4	Taggit SA	10/04/2017	R 2045.16	Paid
5	E-novative Technologies Africa	12/05/2017	R 6498.00	Invoice submitted to Finance
6	Andisa Corporate Finance	11/05/2017	R 10341.90	Paid
7	Execuprime Holdings	09/05/2017	R17000.00	Paid
8	Mike and Ian Consulting	28/02/2017	R 79980.00	Paid
9	CSIR	09/05/2017	R 193892.91	Paid
10	Kingdakohr Business Solutions	04/05/2017	R 26095.00	PO cancelled (supplier not able to deliver)
11	Mineral Water Man Africa	26/04/2017	R318.40	Contract for 12 months invoice paid

**Outstanding Orders (Payment not made due to outstanding invoice)**

No	Supplier	Due Date	Amount	Comments (if applicable)
12	Andisa Corporate Finance	15/05/2017	R15720.00	Paid
13	Basadzi personnel CC	31/05/2017	R 33888.78	Paid
14	Cheadle Thompson & Haysom Inc.	26/04/2017	R 8721.00	Paid
15	MIE (Managed Integrity Evaluation)	10/03/2017	R 2006.40	Not paid (queries on invoice)
16	Franckenwood Electronics	04/05/2017	R 4687.70	PO Cancelled
17	Datacentrix	24/03/2017	R578228.69	Invoice submitted to Finance
18	Inkwazi Media Gov page	31/05/2017	R4900.00	Paid
19	Biddulphs	15/06/2017	R 5232.00	Paid
20	Modifho-fela	16/05/2017	R 3705.00	Paid
21	2Tone Recruitment	13/06/2017	R2529.00	Paid
22	Gov printing Works	23/06/2017	R 250.00	Paid
23	Frackenwood Electricals	23/06/2017	R6490.00	Paid
24	Shereno Printers cc	31/03/2017	R 171 255.79	Project still in progress
25	Angaza Holdings	13/06/2017	R 26590.32	Paid
26	XDSL	03/04/2017	R 315 240.18	2 year contract
27	BI Technologies	19/05/2017	R 120 000.00	Deviation (invoice submitted)
28	Mochela Architects	21/07/2017	R 37500.00	Project still in progress
29	Livhu Matodzi	14/09/2017	R 77 704.00	Paid
30	Harris Nupen Molebatsi	14/09/2017	R 131 628.96	Paid
31	JC Crafford	20/07/2017	R 2000.00	Paid via petty cash
32	Highlands Estate	12/07/2017	R 3687.50	Paid
33	Eaglefood Palace	18/07/2017	R8015.00	Paid
34	Multinet System	20/07/2017	R 3844.14	Invoice submitted for payment
35	Whistle Blowers	31/08/2020	R 145 594.05	Invoices not received yet ( 3 year contract project)
36	Sharic Catering	18/08/2017	R 5980.00	Paid
37	Indayi Communications	01/08/2017	R 24271.46	Paid
38	Sage Comp Technologies	14/08/2017	R 294348.00	Paid

**Outstanding Orders (Payment not made due to outstanding invoice)**

No	Supplier	Due Date	Amount	Comments (if applicable)
39	Media Mark	29/08/2017	R 46705.00	Invoice submitted
40	MSG Group	29/08/2017	R39 934.13	Invoice submitted
41	Primedia	29/08/2017	R445 70.46	Paid
42	SABC	29/08/2017	R39 706.20	Services cancelled
43	Bothma Events	29/08/2017	R3 965.00	Paid
44	Cre8or Global	04/09/2017	R 16 483.26	Price deviation awaits invoices
45	Sharic Catering	18/08/2017	R 7000.00	Paid
46	Holistic Human resources	24/08/2017	R 14 913.48	Awaiting invoice; work in progress
47	Nzuza Architects	21/07/2017	R 40572.00	Awaiting invoice; work in progress
48	AE Software	01/09/2017	R 42951.78	Awaiting invoice; work in progress
49	OMA Chartered Accountants	21/09/2017	R30 011.64	Awaiting invoice
50	Bintlis Catering	21/09/2017	R 6380.00	Invoice submitted for payment
51	Laga Invest	14/09/2017	R47 000.00	Payment processed
52	Livhu Matodzi	14/09/2017	R 24 000.00	Awaiting invoice; work in progress
53	Spacio Office Designs	19/10/2017	R 8137.86	Awaiting invoice; work in progress
54	Langalibalele and Associates	31/08/2017	R16 200.00	Work recently commenced; no invoice yet

Procurement	HDI			State owned entities
Supplier	Women	Black Male	White Male	
Sage Computer Technologies		R294 348		
Highland State Restaurant	R3678.5			
Eagles Food Palace		R8015		
Mochela Architects	R37 500			
Nzuza Architects	R40 572			
Indayi Communications		R24 271.46		
Bothma Events Catering	R3965			
Sharic Catering		R15 580		
Holistic Human Resources (Pty)			R14 913.48	
AE Solutions			R42 951.78	
Langalibalele & Associates	R16 200			
Spacio Office Designs	R8 137.86			
Bintlis Catering & Projects	R6 380			

Multinet	R1 922.07		R1 922.07	
MSG Group Sales (Power 98.7)		R39 934		
Media Mark (Kaya FM)	R23 352.50	R23 352.50		
Primedia (702)	R22 590	R22 590		
<b>TOTAL</b>	<b>R164 297.93</b>	<b>R428 090.96</b>	<b>R59 787.33</b>	<b>R0.00</b>

Contractual	Historically Disadvantaged Individuals			
	Women	Black Male	White Male	State owned entities
Shereno Printers	R219 021.96	R219 021.96		
Whistleblowers	R72 797.03		R72 797.03	
Gildenhuis Malatji Attorneys Incorporated (GMI)	R211 660	R211 660	R211 660	
<b>TOTAL</b>	<b>R503 478.99</b>	<b>R430 681.96</b>	<b>R284 457.03</b>	<b>R 0.00</b>



**PART C**  
**PERFORMANCE**  
**INFORMATION**



## 1. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

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

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

### 4.1 Programme 1: Administration

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

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

*4.1.1 Implementation of the priority areas of IT Governance Framework, based on CORBIT 5 (Disaster Recovery Plan) – **Partially achieved.***

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

The target was partially achieved. The IT Governance Framework was approved and the Priority Areas as per COBIT 5 were developed, including the Disaster Recovery Plan. The Disaster Recovery Plan will be submitted to FHLC in the third quarter for approval. The architecture for the



Disaster Recovery Plan was completed and the process of procurement will continue in the third quarter.

#### *4.1.2 Upgraded WAN infrastructure - **Achieved.***

The target is to deliver business enabling ICT projects. The target was achieved. The required request for proposals were issued, received and evaluated. Service Providers (XDSL and BITECH Africa) were appointed to render the required services. CBE WAN services are running on the fast network (fibre) with high speed. The IT Strategic Plan was developed and is in progress of approval process.

#### *4.1.3 Implement action plans to address prior year's audit findings for 50% of the findings – **Achieved.***

The aim of this project is to achieve a clean audit strategy, through implementing sound financial management and internal controls. To achieve this target, the whole organisation needs to co-operate and work together to ensure compliance with policies and National Treasury prescripts.

Finance and SCM have provided training sessions covering certain difficult processes to ensure that staff understand what is required for compliance. The internal auditors have audited the performance information and highlighted areas of compliance, e.g. sufficient evidence to support targets which will improve our performance audit for the 2017/18 financial year.

The target was achieved. During the quarter under review, 67% of the audit findings were resolved. These will be monitored on a quarterly basis, through submitting an updated matrix to all relevant structures.

## **4.2 Programme 2: Skills for Infrastructure Delivery**

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

This programme is responding to the following mandate of The Act:

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

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



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

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

#### *4.2.1 Consultations with Landscape Architects and Property Valuers Councils – **Achieved.***

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

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

An implementation plan in the form of a 21 Step Project Process Plan was developed during the first quarter. Two categories of high demand professions i.e. Landscape Architecture and Property Valuers required for SIPs were previously identified. The Implementation Plan provides interventions to increase the number of professionals in these two categories, in support of SIPs.

The target was achieved. A consultative meeting was held with two officials and the registrars of the South African Council for the Landscape Architectural Profession (SACLAP) and the South African Council for the Property Valuers Profession (SACPVP). There was positive feedback from the two registrars; however their challenge lay in setting up Occupational Teams required by the Implementation Plan.



#### *4.2.2 Progress report of 150 enrolled learners - **Achieved.***

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

More than 150 learners were registered in the Eastern Cape and Free State Provinces to participate in the CBE Maths and Science support programme, rolled out in the Port Elizabeth and Bloemfontein Education Districts respectively. The baseline and June 2017 examination results were submitted during the first quarter. A Progress Report, reflecting the progress of the enrolled learners in both areas was compiled. Although the APP shows a target of 150 learners, the CBE has exceeded the learner numbers by enrolling a total of 222 learners for the 2017 support programme.

#### *4.2.3 25 Candidates/BE graduates placed for workplace training – **Not achieved.***

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

The target was not achieved. For this quarter, the target was to place 25 candidates on the structured candidacy programme. In the first quarter the CBE had already placed 30 candidates towards its target of a total of 50 candidates. Therefore, 20 more candidates needed to be placed in the second quarter to fulfil the overall target. Even though the second quarter target is recorded as not achieved, the annual target has nevertheless been achieved.

The pool of the candidates is not limited to the public sector. Some candidates from the private sector have requested the assistance of a mentor as there are no registered mentors in their workplace. Therefore logical follow up is to engage with their employer to inform them of the programme, and possibly sign a Memorandum of Understanding (MoU).

Available information and statistics relating to the applicants is shown in the table below.



**Table 7: Candidate Profiles for 2017/18**

<b>INFORMATION AND STATISTICS OF 2017/2018 CANDIDATE APPLICANTS</b>		
<b>Total Candidates in Q2</b>		<b>50</b>
<b>GENDER</b>		
Female	23	46%
Male	27	54%
<b>Total</b>	<b>50</b>	<b>100%</b>
<b>RACE</b>		
African	45	90%
Indian	0	0%
Coloured	0	0%
White	5	10%
<b>Total</b>	<b>50</b>	<b>100%</b>
<b>CBEP</b>		
ECSA	6	12%
SACPCMP	24	48%
SACQSP	15	30%
SACAP	5	10%
<b>Total</b>	<b>50</b>	<b>100%</b>

### Highlights / Challenges

The highlights for this quarter were three candidates appointed as professionals in their BE disciplines, and two accepted for their Council interviews. However to achieve such results requires more funding, which was sourced through the Construction Education and Training Authority (CETA).



#### 4.2.4 Assessed progress of 50 interns – **Achieved.**

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

In March 2017, CETA awarded CBE a WIL discretionary grant for 50 learners for R1.8 million. This grant paved the way to place 50 additional interns. The inductions and intern verifications were scheduled for the second quarter.

The target was achieved. In this quarter 50 interns were assessed during CBE's monitoring and evaluation visits, in accordance with the following prescribed criteria:

- i) the workplace was suitable for the required training
- ii) training was conducted according to a Training Plan
- iii) the training is in accordance with the UoT requirements

Of the 50 interns mentored, two Civil Engineering interns were seconded to other Host Employers for specific P2 exposure. One Mechanical Engineering intern completed his P2 training in June 2017 and graduated in September 2017. All the workplaces gave adequate exposure to the interns and it was evident that the interns are learning from the practical exposure. There was a good mix of companies that hosted interns for WIL - construction, quantity surveying, municipalities and engineering. The table below reflects the interns' fields of study.

**Table 8: Interns fields of study**

<b>Mentored interns per field of study</b>	
Building Science	32
Electrical Engineering (Heavy current)	3
Mechanical Engineering	7
Civil Engineering	8
<b>TOTAL</b>	<b>50</b>



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

Programme accreditation forms an important component of increasing university throughput of BE graduates who have the relevant knowledge base to practice in the South African BE. The councils for the professions are empowered by their respective Acts to accredit BE academic programmes and institutions. Mandated by The Act, the CBE exercises an oversight role during the accreditation process to ensure that BE academic programmes at tertiary institutions meet CHE’s quality assurance requirements based on its 19 Accreditation Criteria principles.

The requirements for this project are:

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

Three CBEP have confirmed and submitted their 2017/18 accreditation schedules to the CBE. The CBE representative attended all the accreditation visits tabled below, to assess the compliance of the CBEP with the CHE criteria. There was compliance with the CHE’s criteria. The table below details the accreditation visits for the quarter.

**Table 9: Accreditation of Learning programmes:**

CBEP	Number of visits	Institution	Qualification	Accreditation outcome
SACAP	1	Tshwane University of Technology Free State (TUT)	B. Tech in Arch (Prof)	Both learning programmes received full accreditation.
			M. Tech in Arch (Prof)	
SACPVP	1	University of Free State (UFS)	M. Sc Prop Man	The programme was accredited.
SACPCMP	6	University of Pretoria (UP)	B. Sc Cons Studies	All four learning programmes were accredited.
			B. Sc Cons Man (Hons)	
			M. Sc Cons Man	



CBEP	Number of visits	Institution	Qualification	Accreditation outcome
			M. Sc Proj Man	
		Nelson Mandela University (NMU)	N. Dip in Build	All six learning programmes were accredited.
			B. Tech in Cons Man	
			B. Sc Cons Man	
			B. Sc Cons Man (Hons)	
			M. Sc. Cons Man	
			M. Sc Health and Safety	
		Cape Peninsula University of Technology (CPUT)	N. Dip Build Sc	Both learning programmes were accredited.
			B. Tech Cons Man	
		Durban University of Technology (DUT)	N. Dip Building Science	Both learning programmes were accredited.
			B. Tech Cons Man	
		University of Cape Town (UCT)	B. Sc Cons Man	All 3 learning programmes were accredited.
			B. Sc Cons Man (Hons)	
			M. Sc Cons Man	
		University of Free State (UFS)	B. Sc Cons Man	All three learning programmes were accredited.
			B. Sc Cons Studies (Hons)	
			M. Sc Con Man	



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

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

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

The three DPW Provincial Departments engaged during the second quarter were Gauteng, Mpumalanga and Limpopo. All committed to the implementation of the Framework. Challenges identified will be addressed in conjunction with the relevant departments and CBEP.

### 4.3 Programme 3: Built Environment Research, Information and Advisory

The strategic objective of Programme 3 is for CBE to provide informed and researched advice to Government on BE priority matters identified in the 2014 Medium Term Strategic Framework (MTSF). For the 2017/18 APP, Programme 3 has three annual targets. All the targets were achieved. There was not much movement on the budget during the quarter as most of the projects were carried out without major expenditure required. Otherwise, costs related to travel and catering for stakeholder engagements. The challenges during the quarter arose from the need for the department to stay involved in implementing projects emanating from previous financial year. These are partnerships established in the previous financial year, in line with the APP were executed as special projects.

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

- Section 3 (d) facilitate participation by the built environment professions in integrated development in the context of national goals;



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

It is contributing to the following outcomes of the DPW:

**Direct outcomes**

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

**Indirect outcomes**

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

The targets for the second quarter performed as follows:

*4.3.1 Progress report on implementation of the initiatives – **Achieved.***

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

- The CBE as a regulator has a responsibility to promote ongoing human resource development in the built environment, as well as promote liaison in the built environment in the field of training, and to promote the standards of such training. The CBE also serves as a discussion forum where representatives of built environment professions may discuss the relevant required qualifications, standards of education, practical training and competencies, the promotion of professional status and legislation impacting on the built environment.
- The objective of this target is to provide government with research and advisory services on measures to strengthen the technical capacity at municipal, provincial and national levels. The programme requires a report on the initiatives undertaken by the public sector to address its lack of technical skills capacity and to highlight workable practises applicable to other government sectors. The report will be shared with built environment stakeholders and practitioners to advice on practical solutions.

The target was achieved. A concept document, outlining the initiatives, was approved during the first quarter. This was followed up in the second quarter with a progress report on the implementation of the initiatives.

#### *4.3.2 First draft report on state of readiness of municipalities to implement the SIPDM– **Achieved.***

This project is part of the formalised partnership between the CBE and the Office of the Chief Procurement Officer (OCPO) of the National Treasury on the implementation of the Standard for Infrastructure Procurement and Delivery Management (SIPDM). The SIPDM in essence forces departments and municipalities to involve professionally registered BE practitioners during the conceptualisation, delivery and completion of projects. The implementation of the SIPDM creates an enabling environment for the attraction and retention of built environment professionals in government employment, and to ensure that they get involved in the actual technical work rather than undertaking unrelated duties. Over and above, the implementation of the SIPDM compels all BE practitioners in the employ of the state to be registered with their respective CBEP in order to be involved in construction projects. This indirectly enforces professional registration, thus promoting transformation in the built environment. The main objective of the project is to assess the state of readiness of municipalities to implement the SIPDM.

The project objectives are therefore to:

1. Establish the availability of requisite BEP skills as prescribed by the SIPDM within the selected municipalities.



2. Establish the existence of individuals with built environment qualifications, but have not registered with CBEP.
3. Identify existing processes and legislative frameworks that can be utilised to ensure sustainable technical capacity within municipalities.

The target for the quarter was to produce a first draft report on the state of readiness of municipalities to implement the SIPDM. The target was achieved. The draft report reviews the progress made by various municipalities to implement the SIPDM. It is notable that since the effective date of 01 July 2017, most metropolitan and district municipalities have re-aligned their SCM policies to the SIPDM. Few local municipalities have however re-aligned their policies. The second draft report will analyse aspects of the re-aligned policies. The project will further be delivered through the assistance of an external service provider, to be appointed during the first month of the third quarter.

#### *4.3.3 First draft report on the impact of Maths and Science support programmes focusing on built environment – **Achieved**.*

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

The specific objectives of the project are to:

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

The required first draft report was completed. A partnership arrangement with the University of Johannesburg will be utilised to complete the second draft and final reports. During the quarter, the first draft report on the impact of Maths and Science support programmes focusing on built environment initiatives was developed. There were challenges in this project relating to the procurement of service providers and the project's continuity. A first draft report was developed



internally instead of appointing a service provider to do the draft from the outset. Resources from the University of Johannesburg will be utilised to carry out the remainder of the research.

#### 4.4 Programme 4: Regulation and Oversight of six BEPCs

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

This Programme is responding to mandates of sections 20 and 21 of The Act.

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

For the 2017/18 APP, Programme 4 has six quarterly targets. Five targets were achieved, while one was not. The targets for the second quarter performed are as follows:

##### *4.4.1 Quarterly Report on the compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days – **Not Achieved***

The aim of this target is to protect public interest by acting as an appeal body, deciding all appeals within 60 days of lodgement, as prescribed in terms of section 21 of The Act. According to section 4(m) of The Act, the CBE is empowered and obliged to hear an appeal lodged by a party, aggrieved by the decision of any of the CBEP. An Appeal Committee is appointed on an *ad hoc basis* in terms of the provisions of section 21 of The Act to decide on the lodged appeal.

The target was not achieved. One appeal was due for hearing in the quarter but was not decided within the prescribed period of 60 days. A protracted SCM process to procure an appeal committee delayed the finalisation of the appeal. The appeal hearing was held on 11 September 2017 and the outcome is expected by end of October 2017.



#### *4.4.2 Source inputs from the six BEPCs on the first draft Action Plan – **Achieved.***

CBE is impelled by The Act to identify the scope of work that can only be performed by persons registered by the CBEP in an appropriate category, after consulting with the Competition Commission (CC) and the six CBEP.

The objective of IDoW is to enhance the protection and safety of the public and the environment by ensuring that only persons registered in the relevant category of registration (and thus demonstrated the required competence and academic qualifications), perform work in the built environment. This will be fulfilled through promulgating regulations that identifies the scope of work to be performed by persons registered by CBEP.

The Competition Commission required exemption applications for the identification of work. After extensive investigations the CC rejected the application. The CC however suggested that a fresh application be submitted. This submission is to be structured in accordance with an Action Plan. A draft Action Plan was prepared.

The target was achieved. CBEP were invited to provide written inputs on the draft Action Plan, which were considered. The draft Action Plan required the CBE to consult members of the investigating team from the CC, who considered the application with the aim of obtaining guidance on how the IDoW policy can be improved to align it with the provisions of the Competition Act.

Consultation with the CC did ensue; the CC is amenable to embarking on an “advocacy process” with the CBE, to assist the CBE with identifying and fully understanding the issues pointed out by the CC in the previous exemption application.

#### *4.4.3 Consult BEPCs on the review of CBE’s Corporate Governance Framework with the King IV principles of Corporate Governance – **Achieved.***

Section 3 (f) of The Act impels the CBE to promote sound governance of the built environment professions. To this end the CBE developed a Corporate Governance Framework (based on the King III Report) during a previous financial year and conducted an assessment of compliance with the framework by the CBEP.

King III was however replaced in its totality by King IV as from 1 April 2017.



A review of the corporate governance determined that it was not feasible to amend the CBE corporate governance framework to incorporate the principles of King IV and therefore a new CBE corporate governance framework will have to be developed to integrate the King IV principles.

A draft Corporate Governance Framework was developed comprising of seventeen principles with recommended practises of King IV. An assessment checklist was included as part of the framework to assist with the implementation of the Corporate Governance Framework.

The target was achieved. The CBEP were invited to make inputs on the draft Corporate Governance Framework and were given until the end of October to submit their inputs.

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

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

DPW developed policy frameworks in conjunction with the CBE norms and standards to be applied to each concurrent mandate, with due regard to priority objectives of DPW and Government. The CBEP are expected to align their respective policies with the policy frameworks approved by the Minister.

The target was achieved. Two CBEP were assessed on the alignment of their policies with the seven approved Policy Frameworks.

#### *4.4.5 A draft Action Plan to implement the recommendations of the workshop - **Achieved.***

The DPW circa 2012 required the six CBEP to develop roadmaps towards compliance with the PFMA as a mechanism to enhance good governance. The six CBEP are not listed as entities to comply with the PFMA, contradicting the 2012 requirement and the provisions of the PFMA.

The project objective is to promote sound governance within the built environment. This contradiction highlights the need to engage stakeholders from the CBEP, DPW, National Treasury and CBE on financial governance and good governance to ensure uniform and consistent application of norms and standards, and the value of the PFMA as a good governance code.



A workshop was held with stakeholders to deliberate on the statutory applicability of the PFMA and its value as a code of governance.

Recommendations of the workshop were as follows:

1. DPW is of the view that the prescript of PFMA are onerous on CBEP and will recommend to the Minister to consider retracting the 2012 directive.
2. CBE must develop a governance framework to be applied by the CBEP to promote sound governance, and to ensure uniform and consistent application of norms and standards in the built environment.

The target was achieved. A draft action plan was developed to implement recommendations of the workshop.

#### *4.4.6 Consultation with three BEPCs on the development of their Strategic Plans, APPs and Annual Reports – **Achieved.***

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

The quarter's target, as per the APP, was achieved. The six CBEP were consulted on the formulation of their APPs, Strategic Plans and Annual Reports. The CBE consulted with the six CBEP during the first quarter. In the second quarter, consultation took place during the Registrar's Forum of 03 August 2017. The CBE met with SACLAP and SACAP during the quarter under review to discuss the alignment of their Strategic Plans with that of CBE and DPW. SACLAP submitted its draft Strategic Plan to CBE.'s. CBE has also planned road shows to the remaining CBEP, to assist with the drafting of their Strategic Plans.

In September 2017, the CBE received annual reports from the six CBEP which were submitted to the DPW Ministry for approval. The approved annual reports were tabled in Parliament on 29 September 2017 as per the statutory requirement.



#### **4.5. Programme 5: Government Policies and Priorities**

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

##### *4.5.1 First draft implementation plan developed – **Achieved.***

This project's focus is to develop an implementation plan for incorporating new knowledge areas on Environmental Sustainability, Construction Health and Safety, Labour Intensity, and the Infrastructure Development Management Systems (IDMS) in the built environment curricula. A first draft of the implementation plan was developed, from the baseline study undertaken by the CBE during the 2016/17 financial year. This first draft implementation plan aims to engage key role players, who can influence changes in the curriculum at all tertiary institutions in South Africa.

CBE will consult with CHE and DHET regarding the implementation plan.

##### *4.5.2 Phase 1 of the study completed, as per the approved ToR and Project Plan –**Achieved.***

The objective of this assignment is to analyse transformation strategies conceptualised and implemented by sectors other than the built environment. The analysis should highlight regulatory functions equivalent to those of the CBE, the CBEP as well as other key role players in driving transformation. The specific objectives were therefore to:

1. To conduct an analysis on how transformation has been conceptualised within the selected sectors for benchmarking.
2. To analyse the implementation of the transformation strategies within the selected sectors.

The target for the quarter was achieved. A report on phase 1 of the study was completed as per the approved ToR and Project Plan. There were challenges in this project relating to the procurement of service providers and the project's continuity. A departmental decision was taken to rescue the project by beginning with a review literature to produce the first draft report. The draft report has been submitted to the Acting COO for approval. In the upcoming quarter the project will be implemented through a collaborative partnership with the University of Johannesburg.



## PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

### Programme 1: Administration

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
1.1 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE.	To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE.	Implemented ICT Governance processes as per DPSA guidelines.	IT Governance Framework, in line with DPSA Corporate Governance of ICT Policy Framework, implemented by 31 March 2018.	124	Implementation of the priority areas of IT Governance Framework, based on CORBIT 5 (Disaster Recovery Plan).	<b>Partially Achieved</b> The Disaster Recovery Plan Architecture complete	Priority Areas (Policies) Developed and the Disaster Recovery Plan Architecture complete but not approved by FHLC.	To be submitted to FHLC in the third quarter for approval	124	124	0%	N/A
1.2 Provide support to CBE, thus contributing directly and	To ensure that CBE has the necessary capacity and capability to	Approved ICT Implementation Plan.	ICT Plan implemented	0	Upgraded WAN infrastructure	Achieved – WAN upgraded to fibre. The ICT	N/A	N/A	0	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
indirectly to the delivery of all strategic outcome-oriented goals of the CBE.	support Government's development priorities within the BE.		by 31 March 2018.			Strategic Plan Developed and in process for approval						
1.3 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE.	To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE.	Clean audit strategy.	Unqualified audit report for 2017/18	0	Implement action plans to address prior year's audit findings for 50% of the findings	<b>Achieved.</b> 67% of audit findings have been resolved	<b>N/A</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>

## 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 Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
2.1 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of implementation plans for high demand skills professions categories developed for SIPs.	Two categories of high demand profession' implementation plans developed in support of Landscape Architects and Property Valuers professionals for the SIPs by 31 March 2018.	210	Consultations with Landscape Architects and Property Valuers Councils	Achieved - Consultations with Landscape Architects and Property Valuers Councils	N/A	N/A	30	1	99%	N/A
2.2 A transformed BE with appropriate, adequate skills and	Drive and facilitate skills development and	Number of learners enrolled in the Maths and Science support	150 Grade 12 learners enrolled in the Maths	1 124	Progress report of 150 enrolled learners	Achieved - Progress report of 150	N/A	N/A	170	168	1%	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
competencies, responsive to the country's infrastructure delivery needs.	transformation within the BE.	programme.	and Science support programme by 31 March 2018.			enrolled learners						
2.3 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of candidates/ BE graduates placed for workplace training.	50 new Candidates /BE graduates in workplace training by 31 March 2018.	2 178	25 Candidates/ BE graduates placed for workplace training.	Not achieved. 20 candidates/BE graduate placed for workplace training.	30 candidates were already placed in quarter 1, therefore 20 candidates have to be placed due to budgetary constraints	Not applicable – the annual target has been achieved, no placement required for Q3.	489	10	97%	N/A
2.4 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of interns placed for workplace training.	100 Interns placed for work integrated learning by 31 March 2018.	3 324	Assessed progress of 50 interns	Achieved - Progress of 50 interns assessed	N/A	N/A	998	1 494	-139%	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
2.5 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of oversight reports of BEPCs' Accreditation of BE Academic Programmes	One oversight report on the Accredited Academic Programmes by the BEPCs by 31 March 2018.	228	Report on compliance on the 19 CHE accreditation criteria during the accreditation visits.	<b>Achieved</b> - Report on Compliance on the 19 CHE accreditation criteria during the accreditation visits.	N/A	N/A	65	98	-51%	N/A
2.6 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of municipal, provincial and national departments and SOEs supported on their BE technical capacity based on the researched initiatives.	Nine Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2018.	190	Three Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework.	<b>Achieved</b> - Three Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework: Gauteng, Mpumala	N/A	N/A	75	69	7%	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
						nga and Limpopo						

### 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 Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	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.	Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.	Number of reports on initiatives and programmes to support technical capacity within the State.	Report on initiatives to support infrastructure skills within Government by 31 March 2018.	0	Progress report on implementation of the initiatives	Achieved - Progress report on implementation of the initiatives	N/A	N/A	0	0	0	N/A
3.2 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions.	Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.	Number of research reports on the state of readiness by municipalities to implement the SIPDM.	One research report on state of readiness of municipalities to implement the SIPDM by 31 March 2018.	364	First draft report on state of readiness of municipalities to implement the SIPDM	Achieved - First draft report on state of readiness of municipalities to implement the SIPDM	N/A	N/A	64	82	-28%	N/A
3.3 An optimally functioning BE with a	Provide informed and researched	Number of research	Research report on	383	First draft report on the impact of	Achieved - First draft	N/A	N/A	13	8	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
responsive and relevant policy and legislative framework, based on informed and researched positions.	advice by the CBE to Government on BE priority matters identified in the MTSF.	reports on analysis of the impact of built environment skills development initiatives.	analysis of the impact of CBE's Maths and Science support programmes focusing on built environment by 31 March 2018.		Maths and Science support programmes focusing on built environment initiatives	report on the impact of Maths and Science support programmes focusing on built environment initiatives						

## Programme 4: Regulation and Oversight of six BEPCs

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
4.1 BEPs who operate within a regulated policy and legislative framework.	Act as an appeal body on matters of law regulating the BEPs, and promote and ensure high standards of professional ethics within the BE.	Percentage of submitted appeals against decisions of CBEP finalised within the statutory period of 60 days.	100% Finalisation of appeals within the statutory 60 days by 31 March 2018.	518	Quarterly Report on the compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days.	<b>Not Achieved.</b>	The appeal hearing was held on the 11 September 2017	The outcome of the hearing is expected by end of October 2017.	345	256	25%	N/A
4.2 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Implementation report on the IDoW Action Plan.	Develop an IDoW Action Plan approved by Council by 31 March 2018.	949	Source inputs from the six BEPCs on the first draft Action Plan	<b>Achieved</b> -Inputs from the six BEPCs sourced on the first draft Action plan	N/A	N/A	11	124	-1009%	N/A
4.3 BEPs who operate within a regulated policy	Promote and ensure high standards of professional	Reviewed Corporate Governance Framework	Reviewed and aligned	28	Consult BEPCs on the review of CBE's	Achieved - Consultation with	N/A	0	1	1	0%	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
and legislative framework.	ethics within the BE.	approved by Council.	CBE Corporate Governance Framework to the King IV principles of Corporate Governance, and approved by Council by 31 March 2018.		Corporate Governance framework with the King IV principles of Corporate Governance	the BEPCs on the review of CBE's Corporate Governance framework with the King IV principles of Corporate Governance						
4.4 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	An Assessment report on the six CBEP Policies alignment with the seven (ministerial approved) Policy Frameworks.	An Assessment Report on the six CBEP Policies alignment with the seven (ministerial approved) Policy Frameworks, submitted to DPW, by	0	Two BEPCs assessed on the alignment of their Policies with the seven (ministerial approved) Policy Frameworks.	<b>Achieved</b> - Two BEPCs assessed on the alignment of their Policies with the seven (ministerial approved) Policy Frameworks	N/A	N/A	0	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
			31 March 2018.									
4.5 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Percentage of the PFMA workshop outcomes implemented.	50 Percent of the PFMA workshop outcomes implemented by 31 March 2018.	5	A draft Action Plan to implement the recommendations of the workshop	Achieved- A draft Action Plan to implement the recommendations of the workshop			0	0	0	N/A
4.6 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Number of Strategic Plans, APPs and Annual Reports of the six CBEP submitted to CBE and DPW.	Six BEPCs Strategic Plans, APPs and Annual Reports submitted to DPW by 31 March 2018.	0	Consultation with three BEPCs on the development of their Strategic Plans, APPs and Annual Reports	Achieved .BEPCs were consulted during registrars forum and via emails			0	0	0	N/A

## Programme 5: Government Policies and Priorities

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

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
5.1 A BE that is responsive to the developmental and economic priorities of Government.	BE academic curricula embody issues of health and safety in construction, environmental sustainability and job creation through labour intensive construction as well as IDMS and SIPDM.	Number of implementation plans incorporating new knowledge in BE curricula.	Implementation plan to incorporate health and safety, sustainability, labour intensive construction and the IDMS and SIPDM into BE academic curricula by 31 March 2018.	0	First draft implementation plan developed	<b>Achieved</b> - First draft implementation plan developed	N/A	N/A	0	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
5.2 A BE that is responsive to the developmental and economic priorities of Government.		Number of research reports to inform CBE's Transformation Strategy.	406	Benchmarking Study on Transformation best practice by 31 March 2018.	Phase 1 of the study completed, as per the approved ToR and Project Plan	<b>Achieved</b> - Phase 1 of the study completed, as per the approved ToR and Project Plan	N/A	N/A	47	0	100%	N/A

**PART D**  
**EXPENDITURE**  
**REPORT**



**Council For the Built Environment**  
**Expenditure Report for the period ending**

**Sep-17**

**Expenditure versus budget**



	Month				Year To Date				Full year budget			
	Actual	Budget	Variance to date	Percentage variance	Actual	Budget	Variance to date	Percentage variance	Actual	Budget	Variance to date	Percentage variance
	Sep-17	Sep-17	Sep-17	Sep-17	Sep-17	Sep-17	Sep-17	Sep-17	Sep-17	Sep-17	Sep-17	Sep-17
Levies	-	420,818	(420,818)	0%	913,094	841,636	(71,458)	-8%	913,094	2,011,000	1,097,906	55%
Grant income	24,284,000	-	24,284,000	0%	48,568,000	24,284,000	(24,284,000)	0%	48,568,000	48,568,000	-	0%
Interest	24,574	137,500	(112,926)	-460%	191,995	825,000	633,005	77%	191,995	1,650,000	1,458,005	88%
Other income	-	-	-	0%	10,454	-	(10,454)	0%	10,454	-	(10,454)	0%
<b>Total Income</b>	<b>24,308,574</b>	<b>558,318</b>	<b>23,750,256</b>	<b>4254%</b>	<b>49,683,543</b>	<b>25,950,636</b>	<b>(23,732,907)</b>	<b>-91.5%</b>	<b>49,683,543</b>	<b>52,229,000</b>	<b>2,545,457</b>	<b>5%</b>
<b>Programme</b>												
Administration and Government Policies and Priorities	3,737,368	3,995,441	258,073	6%	19,105,911	20,724,236	1,618,325	8%	19,105,911	41,852,000	22,746,089	54%
Skills for Infrastructure Delivery	455,429	1,392,325	936,896	67%	2,024,162	3,771,550	1,747,388	46%	2,024,162	7,943,000	5,918,838	75%
BE Research, Information and Advisory	9,874	22,000	12,126	55%	164,589	86,000	(78,589)	-91%	164,589	747,000	582,411	78%
Regulation and Oversight of six BEPCs	126,360	-	(126,360)	0%	383,928	697,500	313,572	45%	383,928	1,250,000	866,072	69%
Government Policies and Priorities	-	-	-	0%	-	47,500	47,500	100%	-	406,000	406,000	100%
<b>Total Expenditure</b>	<b>4,329,031</b>	<b>5,409,766</b>	<b>1,080,735</b>	<b>25%</b>	<b>21,678,590</b>	<b>25,326,786</b>	<b>3,648,196</b>	<b>17%</b>	<b>21,678,590</b>	<b>52,198,000</b>	<b>30,519,410</b>	<b>58%</b>
<b>Net Surplus/(Deficit)</b>	<b>19,979,543</b>	<b>(4,851,448)</b>	<b>(24,830,991)</b>	<b>512%</b>	<b>28,004,953</b>	<b>623,850</b>	<b>(27,381,103)</b>	<b>-4389%</b>	<b>28,004,953</b>	<b>31,000</b>	<b>(27,973,953)</b>	<b>-90239%</b>
<b>Expenditure incurred on commitments from prior year</b>												
Administration and Government Policies and Priorities									81,345	2,528,229	2,446,884	96.78%
Communications									81,345	140,000	58,655	41.90%
KMIT									-	578,229	578,229	100.00%
Finance									-	1,810,000	1,810,000	100.00%
Skills for Infrastructure Delivery									277,000	858,000	581,000	67.72%
Maths & Science									166,000	747,000	581,000	77.78%
Interns									111,000	111,000	-	0.00%
BE Research, Information and Advisory									68,400	205,000	136,600	66.63%
									<b>426,745</b>	<b>3,591,229</b>	<b>3,164,484</b>	<b>88.12%</b>
Adjusted total expenditure									<b>21,251,845</b>	<b>52,198,000</b>	<b>30,946,155</b>	<b>59.29%</b>

## **Explanations for significant deviations:**

### **1. Revenue**

The revenue consists mainly of the Parliamentary Grant funding received from DPW. It was received as budgeted.

The favourable variance for the month is due to the early billing of the parliamentary grant. Unfavourable variances have been noted in interest and CEBP levies. The under-collection of levies relate to the timing i.e. receipt of the funds which will occur after month-end. The under-collection of interest on the investment account is because the budgeted funds were spent, and the overestimation which will be adjusted in the midterm review.

### **2. Expenses**

#### **2.1 Administration**

This program bears all the administration expenditure of the CBE including personnel and infrastructure costs.

The main expenditure items under this programme are of a fixed nature which is incurred as budgeted in most accounts.

The variance of 8% is mainly due to a delay in the appointment of the CEO, as well as a delay in the signage project currently underway.

The first payment to Government Technical Advisory Committee (GTAC) has also been budgeted for, though work has not yet commenced.

#### **2.2 Skills for infrastructure delivery**

There is a variance of 46% which is due to the under expenditure of budget in the following account groups:

2.2.1 Structured candidacy: The timing of mentorship costs for the structured candidacy project. This expense will be incurred throughout the year.

2.2.2 Transformation indaba: Expenditure was mostly incurred during August, for which invoices have not been received as yet.



### **2.3 BE Research, Information and Advisory**

There is an unfavourable variance of 91% which is mainly due to expenditure being funded by prior year's commitment.

### **2.4 Regulation and Oversight**

There was under expenditure due to consulting fees for the identification of work. The timing of the budgeted costs cannot be determined reliably due to the nature of the programme.

### **2.5 Government policies and priorities**

The under expenditure relates to work performed by consultants. The consultants have not been appointed due to difficulty in sourcing the services required.



**PART E**  
**HUMAN RESOURCE  
EXCEPTION REPORT**



## Recruitment and Selection

The KMIT Manager was appointed and assumed duty in July 2017.

The Strategic Planning, Monitoring and Evaluation Officer was appointed and assumed duty in August 2017.

While the recruitment process for the CEO position had been halted as per the directive issued by the Minister in July 2017, it was subsequently retracted and the process continued with the appointment of the successful candidate to assume duty in October 2017.

## Staff Movement

Council approved movement of the KMIT function from the Operations Division to report under the CFO in the Corporate Services division.

**Table 10: Employee Statistics**

July 2017										
Permanent Employees:										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
16	7	2	1	3	3	1	1	22	12	34
Fixed Term Employees:										
1	0	0	0	0	0	0	0	0	0	1
August 2017										
Permanent Employees:										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
17	7	2	1	3	3	1	1	23	12	35
Fixed Term Employees:										



1	0	0	0	0	0	0	0	0	0	1
<b>September 2017</b>										
<b>Permanent Employees:</b>										
<b>African</b>		<b>Asians/Indians</b>		<b>Whites</b>		<b>Coloured</b>		<b>Total</b>		<b>Grand Total</b>
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
17	7	2	1	3	3	1	1	23	12	35
<b>Fixed Term Employees:</b>										
1	0	0	0	0	0	0	0	0	0	1

**Staff Turnover:**

Number of employees at beginning of quarter and at end of quarter (34+35); Divide by 2 = Total (69÷2 = 34.50)

Divide terminations over Total x 100 = turnover % (0÷34.5 x 100 = 0%)

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

**Table 11: Racial and Gender Equity**

Population group	Male			Female			Total		
	No.	Percentage male distribution		No.	Percentage female distribution		No.	Percentage of total distribution	
		CBE	SA Population		CBE	SA Population		CBE	SA Population
<b>African</b>	7	58.3	80.8	17	73.9	80.8	24	68.5	80.8
<b>Coloured</b>	1	8.3	8.7	1	4.3	8.9	2	5.7	8.8
<b>Indian/Asian</b>	1	8.3	2.6	2	8.7	2.4	3	8.6	2.5
<b>White</b>	3	25.0	7.9	3	13.0	8.0	6	17.1	8.0
<b>Total</b>	<b>12</b>	<b>100.00</b>		<b>23</b>	<b>100.00</b>		<b>35</b>	<b>100.0</b>	

The target figures provided have been benchmarked with the latest mid-year population estimates by Statistics SA demographic data, (P0302 July 2017). Representations have been exceeded with White and Indian/Asian employees. The CBE will endeavor to correct this with the appointment of African male and female, or Coloured female at its next recruitment opportunity.

**Employee Relations**

The Labour Court process regarding the two former fixed term employees remains pending.



Management met with the Union regarding a dispute relating to the implementation of job evaluation results.

The dismissed CEO delivered a copy of the documents she lodged to the Labour Court. The notice of the sitting is awaited.

One grievance hearing has been scheduled to sit in the month of October 2017.

### Performance Management and Development

Submission of quarterly reviews and related evidence remains a challenge. Assistance is continually offered to departments in providing guidance related to compliance with employee performance management.

In accordance with the Performance Management and Development policy, the moderation committee met to ensure that appropriate assessment instruments and supporting documents were applied. The committee reviewed evidence submissions and scores allocated by the immediate managers. Further evidence has been requested and a final meeting has been scheduled to conclude the recommendation.

### Employee Leave

The table below depicts the leave types and un/planned days taken during the period under review.

**Table 12: Employee Leave**

Type of leave	July 17		August 17		September 17		TOTAL	
	Employees	Days	Employees	Days	Employees	Days	Employees	Days
Annual Leave	16	66.50	11	30.5	19	59	28	156
Sick Leave	8	28	8	16	7	22	14	66
Family Responsibility	1	3	0	0	2	4	3	7
Unpaid leave	0	0	0	0	0	0	0	0
Study leave	2	4	0	0	2	13	4	17
Maternity Leave	0	0	0	0	0	0	0	0
Paternity leave	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0

Absenteeism is benchmarked at a 4% industry average. A total of 73 unplanned person-days were lost during the quarter resulting in above average absenteeism rate of 3%.



**Table 13: Absenteeism rate**

July 17												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Emp	UL	Total Person days lost	Total Staff Complement	Absenteeism %
16	66.50	8	28	1	3	2	4	0	0	31	35	4%
August 17												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Emp	UL	Total Person days lost	Total Staff Complement	Absenteeism %
11	30.5	8	16	0	0	0	0	0	0	16	36	2%
September 17												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Emp	SUS	Total Person days lost	Total Staff Complement	Absenteeism %
19	59	7	22	2	4	2	13	0	0	26	36	3%
Total for the period under review												
28	156	14	66	3	7	4	17	0	0	73	35	3%

**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: No. of employees

AL: Annual leave

SL1: Sick leave

FRL: Family Responsibility leave

SL2: Study leave

UL: Unpaid leave

