



FIRST QUARTER PERFORMANCE INFORMATION FOR THE FINANCIAL YEAR 2018/19

FIRST QUARTER 2018/19: 01 APRIL – 30 JUNE 2018



APPROVAL OF THE FIRST QUARTER REPORT FOR THE FINANCIAL YEAR 2018/19

This Quarterly Report was developed by the Council for the Built Environment (CBE), under the stewardship of its Accounting Authority and Chief Executive Officer.

It has been prepared in line with the targets set out in the Annual Performance Plan, and captures the performance of the corporate services and operations of the CBE for the first quarter of the 2018/19 financial year.

All information disclosed in this Quarterly Report are accurate, audited and validated to the best of our knowledge.



Ms M. P. Mdlalose (Ms)
Chief Executive Officer

CONTENTS

1. ACRONYMS AND DEFINITIONS USED IN THE REPORT	6
PART A: EXECUTIVE SUMMARY	9
2. EXECUTIVE SUMMARY	10
PART B: GOVERNANCE.....	13
3. INTRODUCTION.....	14
3.1 EXECUTIVE AUTHORITY.....	14
3.2 ACCOUNTING AUTHORITY	14
3.3 COMPOSITION OF THE COUNCIL	15
Other Committees.....	17
Executive Committee.....	17
Audit and Risk Committee.....	19
Finance, Human Resource and Legal Committee.....	20
Built Environment Matters Committee	23
Council Meetings	24
Remuneration of Council members	26
3.4 RISK MANAGEMENT	27
3.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT.....	27
3.6 INTERNAL AUDIT	27
3.7 COMPLIANCE WITH LEGISLATION AND PROCEDURES.....	28
3.8 FRAUD AND CORRUPTION	28
3.9 MINIMISING CONFLICT OF INTEREST	28
3.10 CODE OF CONDUCT	29
3.11 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES	29
3.12 TRAINING AND DEVELOPMENT	29
3.13 SUPPLY CHAIN MANAGEMENT.....	30
PART C: PERFORMANCE INFORMATION.....	31
4. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE.....	32
4.1 Programme 1: Administration.....	32
4.2 Programme 2: Skills for Infrastructure Delivery	36
4.3 Programme 3: Built Environment Research, Information and Advisory	47
4.4. Programme 4: Regulation and Oversight of six CBEP.....	55

4.5. Programme 5: Government Policies and Priorities.....	63
PART D: EXPENDITURE REPORT	66
PART E: HUMAN RESOURCE EXCEPTION REPORT	69

Tables and Figures

Figure 1: Overall Quarterly Performance.....	11
Figure 2: Quarterly Performance by Programmes	11
Table 1: Achievement status of quarterly targets.....	12
Table 2: Fourth Term of Office Council	16
Table 3: Audit and Risk Committee membership.....	20
Table 4: Council Committees composition and meetings	25
Table 5: Council Remuneration	27
Table 6: Procurement.....	30
Table 7: Programme 1: Administration	34
Table 8: BE qualifications of the WIL candidates.....	38
Table 9: MoUs on WIL between CBE and UoTs.....	39
Table 10: Learning programmes evaluated	40
Table 11: Programme 2: Skills for Infrastructure Delivery.....	42
Table 12: Programme 3: BE Research, Information and Advisory.....	52
Table 13: Programme 4: Regulation and Oversight of six CBEP	59
Table 14: Programme 5: Government Policies and Priorities	64
Table 15: Employee Statistics	70
Table 16: Race and Gender Equity	71
Table 17: Employee Leave	72

1. ACRONYMS AND DEFINITIONS USED IN THE REPORT

Act	The CBE Act 43 of 2000
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
BAC	Bid Adjudication Committee
BE	Built Environment
BEP/s	Built Environment Profession/s
CARINBE	Centre for Applied Research and Innovation in the Built Environment
CBE	Council for the Built Environment
CBEP	Councils for the Built Environment Professions
CC	Competition Commission
CEO	Chief Executive Officer
CHE	Council for Higher Education
COO	Chief Operations Officer
Council	CBE Council
CPD	Continuous Professional Development
DHET	Department of Higher Education and Training
DoL	Department of Labour
DPSA	Department of Public Service Administration
DPW	Department of Public Works
E-BE	Electronic-Built Environment System
EPWP	Expanded Public Works Programme

HDI	Historically Disadvantaged Individual
HR	Human Resources
ICT	Information Communications Technology
IDMS	Infrastructure Delivery Management System
IDoW	Identification of Work
ILO	International Labour Organization
IT	Information Technology
Minister	Minister of Public Works
MoU	Memorandum of Understanding
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NW DPWR	North West Department of Public Works and Roads
OMA	O.M.A Chartered Accountants Inc.
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Co-ordinating Committee
SCM	Supply Chain Management
SIPDM	Standards for Infrastructure Procurement and Delivery Management
SIPs	Strategic Infrastructure Projects
UJ	University of Johannesburg
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 first quarter of the 2018/19 financial year. It constitutes six parts. Part A is the Executive Summary, which provides a synopsis of the CBE's performance, 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 CBEP
- Programme 5: Government Policies and Priorities

The 2018/19 APP has 19 quarterly targets set for the first quarter. Of these, eighteen (18) 95% were achieved and one (1) 5% was not achieved.

Figure 1 below illustrates the performance of the CBE from 1 April to 30 June 2018.

Figure 1: Overall Quarterly Performance

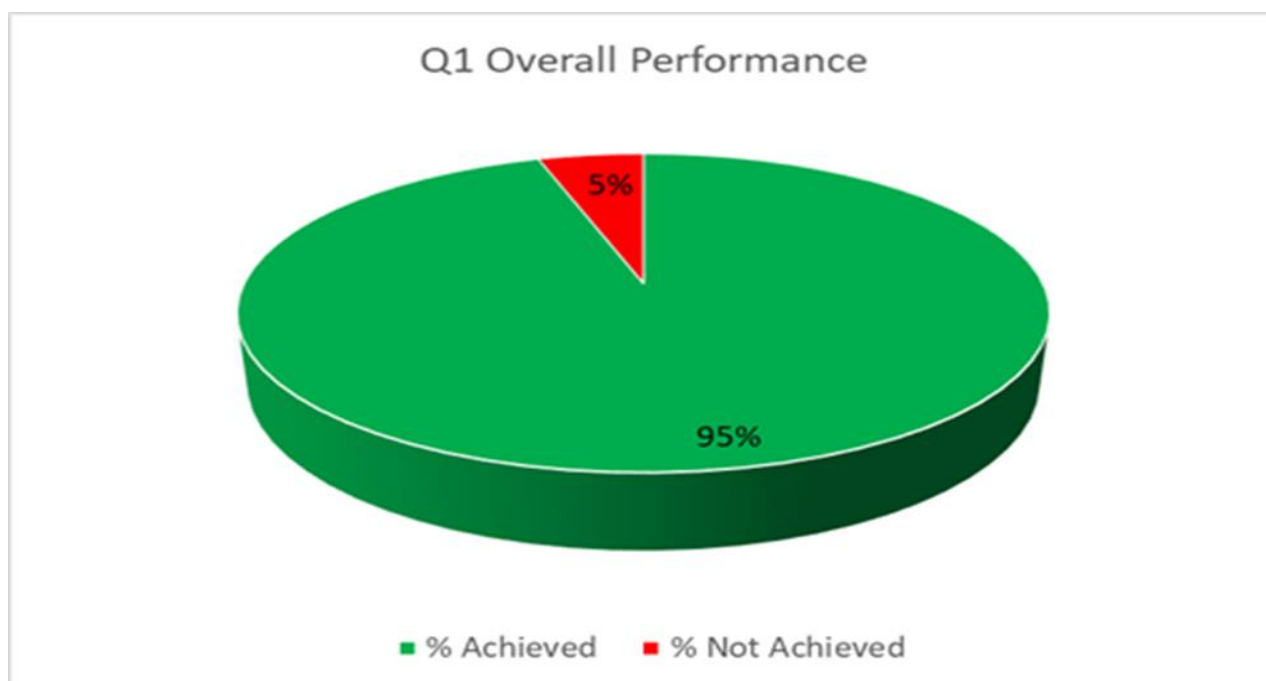
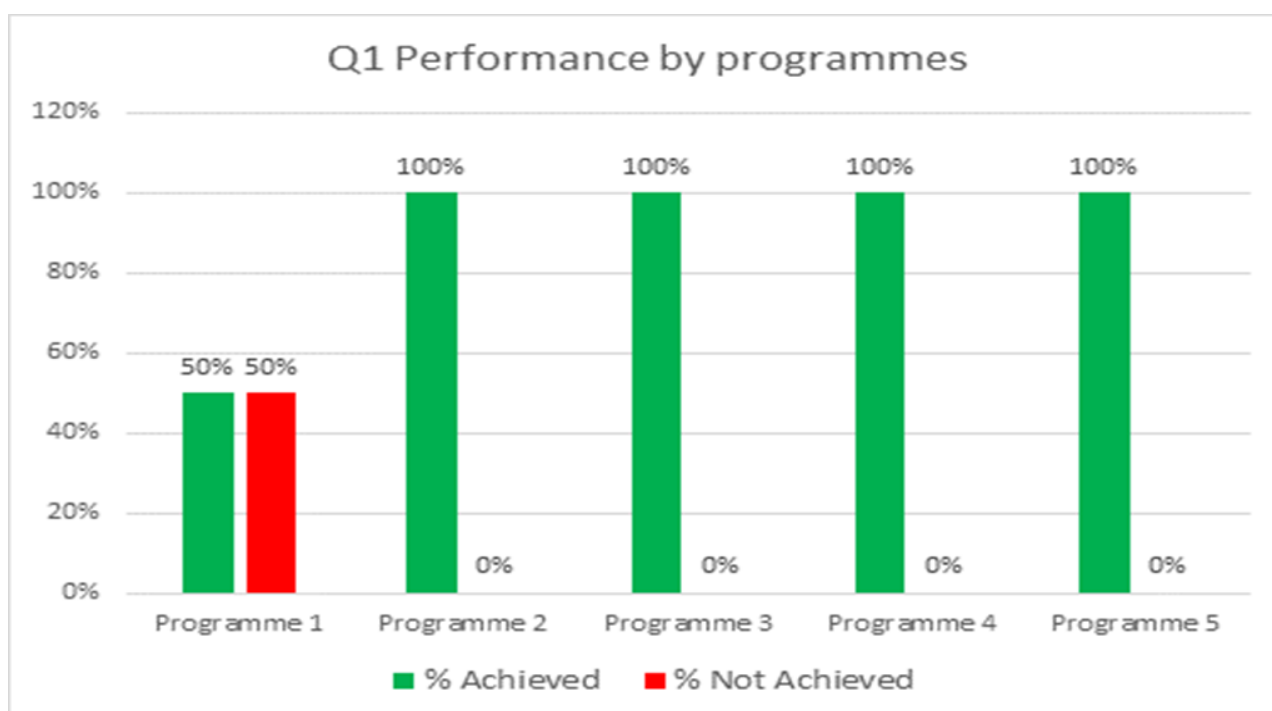


Figure 2 below graphically outlines CBE's performance as attained by the different divisions in Quarter 1.

Figure 2: Quarterly Performance by Programmes



The reason for the non-achievement of one target was that even though the RFQ/P was issued, evaluated and recommended for award, however the award has not yet been made.

Table 1: Achievement status of quarterly targets

APP Programme	Number of quarterly targets	Achieved	Not Achieved
Programme 1	2	1	1
Programme 2	7	7	0
Programme 3	4	4	0
Programme 4	5	5	0
Programme 5	1	1	0
Quarter 1	19	18	1
Total Targets			

The highlights for the quarter under review were the following:

- The Backup Policy and IT Security Policy have been implemented with monitoring capabilities. The Backup is running on VMware environment and monitored on Veeam Monitor. It is running off site at the CBE Disaster Recovery Site.
- 153 Learners were registered with COEGA (Port Elizabeth) in the Eastern Cape Province and Central University of Technology (CUT) (Bloemfontein) in the Free State Province to participate in the CBE Maths and Science support programme
- 26 Candidates were placed on the structured candidacy programme and baseline assessments of the candidate and their workplace were undertaken. All of the candidates are employed by North West Department of Public Works and Roads (NW DPWR).
- 139 BE candidates were placed for Work Integrated Learning (WIL).
- The City of Johannesburg was engaged on 19 June 2018 on the CBE Structured Candidacy Framework.
- The concept document, analysing the impact of the Standards for Infrastructure Procurement and Delivery Management SIPDM on attracting and retaining BEPs within DPW, was developed.
- All the appeals were decided within the statutory prescribed period of 60 days.

PART B: GOVERNANCE

3. 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 on 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. Discussions are underway with the Department of Public Works (DPW) to participate in this process.

3.1 EXECUTIVE AUTHORITY

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

3.2 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 CBEP.

The newly appointed Minister of Public Works requested Chairpersons and Deputy Chairpersons of Public Entities to attend the MinMec meetings, and for DPW entities to be more involved in activities of the Ministry and DPW.

3.3 COMPOSITION OF THE COUNCIL

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

- a. One representative from 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 CBEP; and
- d. Not more than four persons nominated by the public.

The 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 of Office 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
Dr 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

Name	Designation (<i>Section of the Act in terms of which appointment was made</i>)	Date Appointed	Date Resigned
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 Lee	Section 5(2)(c) ECSA	1 August 2014	-
RG Sefotlho	Section 5(2)(d) Public representative	1 August 2014	-
AA Steyn	Section 5(2)(c) Nominated by SACLAP	1 August 2014	02 February 2016
S Thubane	Section 5(2)(c) Nominated by SACAP	1 August 2014	-
MM Tshangela	Section 5(2)(c) Representative Department of Environmental Affairs	1 August 2014	-

Council Committees:

Statutory Committees

- a. Executive Committee (EXCO) - as prescribed by the Act.
- b. Audit and Risk Committee (ARC) - as prescribed and 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.

At a scheduled meeting on 24 April 2018, EXCO:

- Approved the 2017/2018 Quarter 4 Report for statutory submission to the DPW on
- 30 April 2018.

- Deliberated on and noted the following: Strategic Risk Register, Risk Report, Information Technology (IT) Governance Report, Legal Compliance Report, Stakeholder Management Report, Identification of Work (IDoW) Progress Report, and Integrated Reporting.

EXCO held a special meeting on 20 June 2018 to consider the CEO's performance assessment.

Audit and Risk Committee

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

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

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

Table 3: Audit and Risk Committee membership

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned
D Coovadia	External Member	-	6 December 2010 (1 st Term) 6 December 2014 (2 nd Term)	-
Ms M Mothipe	External Member	-	8 February 2013 (1 st Term) 6 December 2014 (2 nd Term)	7 August 2017
Ms P Stock	External Member	-	24 November 2017	-
F Docrat	External Member	-	6 December 2014 (1 st Term)	-
Ms NF Sithole	Council Member	-	1 August 2014	-
Ms N Maharaj	Council Member	-	1 August 2014	06 May 2015
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 scheduled meetings on 24 April and 22 May 2018 to consider the matters below:
- Deliberated on and noted the Auditor-General South Africa (AGSA) briefing report regarding its activities during the 4th Quarter.
- Deliberated on and noted the Internal Audit reports on activities in the 4th Quarter.
- Deliberated on and noted the following Standing Agenda Items: 4th Quarter Performance Report, 4th Quarter Finance Report, 4th Quarter Procurement Report, 4th Quarter Governance Report, Risk Report and Strategic Risk Register, Fraud Management Report, Legal Compliance Report, and IT Governance Report.
- Deliberated on and recommended the 2017/18 Draft Annual Financial Statements and the 2017/18 Draft Annual Report to Council for approval.

Finance, Human Resource and Legal Committee

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

(i) Financial Matters

- (1) Consider matters of financial strategy and policy, including procurement and supply chain management, 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).
- (2) Consider and assess all 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.
- (3) Review the annual financial statements of the CBE in conjunction with the Audit and Risk Committee, and make recommendations to Council.
- (4) Receive and consider budget proposals from the Executive and recommend to Council the annual operating and capital budgets.
- (5) Monitor compliance with PFMA in respect of matters relating to the Act.
- (6) Review the adequacy of the working capital by comparing cash focus against the actual.
- (7) Receive reports on fraud relating to the CBE.
- (8) Establish an annual work plan to ensure that all relevant matters of the committee's roles and responsibilities are covered.
- (9) Receive recommendations from the Bid Specification, Bid Evaluation, and Bid Adjudication Committees (BAC) as prescribed in the SCM policy.
- (10) To take resolutions, make recommendations, receive information and consult as required by the Delegation of Authority (DoA).

(ii) Human Resources Matters

- (1) 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.
- (2) 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.

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

(iii) Legal Matters

- (1) Deal with the BE Policy proposal by DPW relating to the repeal of the CBE Act.
- (2) Deal with legal aspects related to and other legal compliance matters.
- (3) Deal with Corporate Governance matters in Council referred to it by Council.
- (4) Receive information on the data base of Appeals Committee members and recommend inclusions on the database to Council.
- (5) Receive appeal findings and make recommendations to Council on required corrective action identified by Appeal Committees.

(iv) Social and Ethical Matters

- (1) To monitor the CBE's activities, having regard to relevant legislation, legal requirements and good practice with specific reference to (2) to (6) below.
- (2) To promote ethical standards and guidelines for acceptable behaviour amongst all employees.
- (3) Promotion of good corporate citizenship with reference to:
 - (a) Equality, prevention of unfair discrimination and the eradication of corruption.
 - (b) Promote employee awareness in the detection of fraud and other corrupt activities.
 - (c) Acknowledgement of employee involvement in community projects with due consideration of the CBE's mandate.

- (d) Contribution to development of communities where the CBE conducts its activities.
- (e) To undertake initiatives to promote greater environmental responsibility by encouraging the use of environmentally friendly technologies.
- (4) To promote consumer interests within the ambit of the CBE's mandate.
- (5) To enhance the CBE's employment relationship and contribute within its means towards the educational development of its employees.
- (6) To promote an environment where open communication is expected and protected.
- (7) To report to Council on an annual basis on its findings, and more frequently if occasion requires.

The FHLC held a scheduled meeting on 24 May 2018 and considered the matters below:

- Deliberated on and noted the following: 4th Quarter Expenditure Report, 4th Quarter Procurement Report, Human Resources Report, ICT Risk Register, Appeals Outcome Report, Active Contract List, Legal Compliance Report, and Social and Ethics Implementation Plan.
- Confirmed the resolution regarding the Company Secretary position.

The FHLC held a special meeting on 29 May 2018 to consider an updated report on the outstanding ICT matters and make recommendations to Council.

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.

The BEMC held a scheduled meeting on 9 May 2018 and considered the matters below:

- a. Deliberated on and noted the 4th Quarter Performance Report.
- b. Deliberated on and noted the following: a progress report on Unachieved Targets from the previous financial year and unachieved quarterly targets, a progress report on the Stakeholder Management, Marketing and Communications Committee, a progress report on the Foreign Professionals Working Group, update on the IDoW progress and a Transformation Progress Report.
- c. Deliberated on and approved the revised projects scopes and budget allocation of Strategic Infrastructure Projects (SIPs), Maths and Science, Accreditations, Structured Candidacy, Impact of the Standards for Infrastructure Procurement and Delivery Management (SIPDM), Advisory Report on Health and Safety, Advisory Report on BEPs role in the Expanded Public Works Programme (EPWP), Appeals, IDoW, Corporate Governance, CBEP Policies, PFMA Governance, Transformation, and Implementation Plan to Incorporate New Knowledge Areas into BE Curricula.
- d. Noted and recommended to Council a proposed Maths and Science Support Model for consideration.

Council Meetings

Council held a special meeting on 26 April 2018 to approve the 2018/19 Departmental and Programme Budget Allocation, and noted the Stakeholder Compact for signature by the Chairperson on behalf of the Council.

Council held a scheduled meeting on 29 May 2018 and considered the matters below:

- a. Noted the Chairperson's Reports of BEMC, EXCO, ARC, FHLC and the CEO's report.
- b. Deliberated on and noted the Strategic Risk Report and Strategic Risk Register.

- c. Noted the findings of a cursory investigation of an incident reported on the Fraud Awareness Hotline.
- d. Deliberated on and noted the 4th Quarter Expenditure and Procurement Report.
- e. Approved the draft 2017/18 Annual Report and Annual Financial Statements for submission.
- f. Deliberated on and noted the Compliance Report and the Social and Ethics Plan.
- g. Deliberated and approved a way forward on the former CEO's outstanding matter at the Labour Court.
- h. Noted updates on the Compliance Action Plan and the Social and Ethics Implementation Plan.
- i. Deliberated on and supported a proposed Maths and Science model for further investigation, research and development as recommended by the BEMC.
- j. Deliberated on and approved the recommendation of the Selection Panel for the 5th Term of Office Council for submission to the Minister of Public Works.

Table 4: Council Committees composition and meetings

Council Committee	Number of meetings scheduled	Number of meetings held	Committee membership	Meeting Attendance		
EXCO				2018/04/26	-	
	1	1	IM Nkosi (Chairperson) NF Sithole (Deputy-Chair) Prof KA Michell Dr ZT Mathe S Thubane (Alternate)	Yes Yes No No Yes		
ARC				2018/04/24	2018/05/22	
	2	2	D Coovadia P Stock F Docrat NF Sithole A Lee	Yes Yes Yes Yes Yes	Yes Yes Yes No Yes	
FHLC				2018/04/18	2018/05/24	2018/05/29
	1	3	Prof KA Michell (Chairperson) ND Lombard JL Margolius A Lee IM Nkosi RS Sefotlho ZC Mvalo	Yes Yes Yes Yes No No No	Yes Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes No
BEMC				2018/02/08	-	
	1	1	Dr ZT Mathe	Yes		

Council Committee	Number of meetings scheduled	Number of meetings held	Committee membership	Meeting Attendance	
			Mr IM Nkosi Dr CA Breed EG Makongwana D Michell C Mtshisa ZC Mvalo RG Sefotlho S Thubane MM Tshangela	Yes Yes Yes No No No No Yes Yes	
Council				2018/04/26	2018/05/29
	1	2	IM Nkosi (Chairperson) NF Sithole (Dep Chairperson) Dr CA Breed ND Lombard EG Makongwana JL Margolius Dr ZT Mathe D Michell Prof KA Michell C Mtshisa ZC Mvalo A Lee RG Sefotlho S Thubane MM Tshangela	Yes Yes No Yes No No No Yes No No Yes Yes Yes Yes Yes	Yes No Yes Yes Yes Yes No Yes Yes No No Yes Yes Yes Yes

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	Preparatory Time	Per Hour	Per Day
Chairperson	Council: 5 hours EXCO: 4 hours	R550	R4,403
Deputy Chairperson	Council: 4 hours Committees: 3 hours	R467	R3,737
Chairpersons of Committees	Council 5: hours Committees: 4 hours	R550	R4,403
Members of Council / Committees	Council 4: hours EXCO 3: hours	R435	R3,478

3.4 RISK MANAGEMENT

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

In line with good governance, risk management and planning is an emphasised 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 development of an operational risk register was finalised. This process involved one-on-one sessions with managers to ensure that all risks in all business units have been addressed. The register was finalised with Executives. The operational and strategic risk registers will be updated on progress and submitted to the relevant committees in the upcoming quarter, for monitoring thereof.

3.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT

During the quarter under review, the AGSA commenced with the final audit for the 2017/18 financial year. The audit is still underway and is anticipated to be finalised in July 2018.

Audit steering committee meetings between CBE management and AGSA representatives were held to track the audit progress.

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 at all ARC meetings and, if necessary, meets with the ARC Chairperson prior to, and immediately after, each ARC meeting.

Based on the approved internal audit plan for the 2017/18 financial year, the following audits were performed during the quarter under review:

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

3.7 COMPLIANCE WITH LEGISLATION AND PROCEDURES

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

3.8 FRAUD AND CORRUPTION

The entity implements an up-to-date fraud prevention plan, as a requirement set out in Section 3.2.1 of Treasury Regulations.

During the previous quarter one anonymous tip-off was received from the fraud hotline. Internal audit has concluded an investigation and no evidence could be found to substantiate the tip-off. During the quarter under review, no incidents were reported.

A fraud and corruption awareness workshop was held with staff on behavioural red flags. A whistle blowing policy is in draft and will be finalised in the upcoming quarter.

3.9 MINIMISING CONFLICT OF INTEREST

Declaration of interest registers were presented at all meetings of Council and its Committees during the quarter. Declaration of interest registers were also presented to all panellists at shortlisting and job interviews.

Special declaration forms relating to the Code of Conduct were circulated to senior executives and all employees involved in the SCM process.

3.10 CODE OF CONDUCT

In line with the Code of Conduct policy, all staff declared their financial interests during the quarter under review. Employees were reminded to refrain from conducting private business that may potentially conflict with the business interests of the CBE, such as with a Government institution of South Africa.

CBE performed test procedures during May 2018 on the Central Supplier Database which revealed two staff members with active businesses. Management is addressing the transgression in accordance with the relevant policy provisions.

3.11 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

Two building maintenance meetings were held during the months of May and June 2018 to address outstanding security matters. The random activation of the evacuation alarm which resulted in repeated false alarms were also discussed.

Health and safety awareness posters are regularly displayed throughout the office areas. Wellness articles were circulated on how to keep healthy and fit during the winter season.

3.12 TRAINING AND DEVELOPMENT

The training plan for the current year has been developed, based on personal development plans of employees and the results of the latest skills audit. The plan details training to be assumed in July 2018.

On boarding sessions are held whenever more than one staff member is appointed. As part of orientation and training one formal session was held for the group of two new staff members, two fixed term contractors and three newly appointed interns in June 2018.

3.13 SUPPLY CHAIN MANAGEMENT

The table below indicates the total procurement spend on Historically Disadvantaged Individuals (HDI) share as 99%. White males account for 1%, and 0% of spend is attributable to state owned entities. The CBE will continuously endeavour to increase its HDI percentage.

Table 6: Procurement

Procurement Details	Procurement for the 1st Quarter ending June 2018					
	Procurement		Contractual Amount		Totals	Procurement distribution
	R	Percent	R'	Percent	R'	Percent
HDI	R 84 633.51	95%	R 320 312.50	100%	R 404 946.01	99%
Women	R 47 238.48	53%	R 160 156.25	50%	R 207 394.73	51%
Black Male	R 37 395.03	42%	R 160 156.25	50%	R 197 551.28	48%
White Male	R 4 063.33	5%	R 0	0%	R4 063.33	1%
State owned entities	R 0	0%	R 0	0%	R 0	0%
Totals	R 88 696.84	100%	R 320 312.50	100%	R 409 009.34	100%

PART C: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

CBE implemented its 2018/19 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 CBEP
- 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 Information Communications Technology (ICT) and financial support services. Information Technology (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, are unqualified financial statements with no reported audit findings, in respect of either reporting on predetermined objectives or compliance with key legislation.

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

*4.1.1 Implement 25% of the IT Governance Policies, based on COBIT 5 – **Achieved.***

This aim of this target is to implement the ICT Governance Framework approved priorities areas (Policies) as per COBIT5. These policies include the IT Acceptable Use policy, IT Security policy, IT Social Media policy, IT Backup policy (Service Restoration and Continuity), IT Data and Information Management policy and IT Disaster Recovery policy (Business Continuity). These policies will be configured in the CBE IT environment to meet the objective of good governance.

The target was achieved. The Backup Policy and IT Security Policy have been implemented with monitoring capabilities. The Backup is running on VMware environment and monitored on Veeam Monitor. It is running offsite at the CBE Disaster Recovery Site. The IT Security runs on the Fortigate Firewall Appliance installed at the CBE data centre and monitored 24/7/365. Monitoring reports are compiled weekly. The control details for both the policies are in the policy documents.

*4.1.2 Issue, evaluate and award the RFQ/P for the development of the Electronic – Built Environment (E-BE) System – **Not Achieved.***

The Electronic – Built Environment (E-BE) System enables the CBEP to submit their reports on an online transacting platform. This E-BE System will be centrally located at CBE, accessible to all CBE stakeholders, with functionalities that meet all their requirements. It addresses the challenges of data reporting experienced by the CBEP. The system was developed as per the System Development Life Cycle. The Business requirements definitions will be drawn up.

The target was **not achieved**. The RFQ/P was issued, evaluated and recommended for award, however the award has not yet been made.

Table 7: Programme 1: Administration

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals					%	
						Actual Q1	Deviation from the Quarterly target	Correctiv e action	Quarterly budget	Actual Expenditure	Variance	Corrective Action in case of poor spending
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.	Percentage of ICT Governance policies Implemented as per the Department of Public Service Administration’s (DPSA) Corporate Governance policy framework.	A CBE IT Governanc e Framewor k, in line with DPSA’s Corporate Governanc e of ICT Policy Framewor k, fully implement ed (100%) by 31 March 2019.	0	Implement 25% of the IT Governance Policies, based on COBIT 5.	Achieve d. IT Backup Policy and IT Security Policy impleme nted.	N/A	N/A	0	0	0	N/A
1.2 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-	To ensure that CBE has the necessary capacity and capability to support Government’s development	Implemented Electronic – Built Environment (E-BE) System.	An Electronic – Built Environme nt (E-BE) System implement ed in any three CBEP by	1 410	Issue, evaluate and award the RFQ/P for the development of the Electronic – Built Environment	Not achieve d. The RFQ/P for the develop ment of the Electroni	The RFQ/P was not awarded.	The RFQ/P will be awarded in the 2 nd quarter.	0	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget		Quarterly Targets and Actuals						
					Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
oriented goals of the CBE.	priorities within the BE.		31 March 2019.		(E-BE) System.	c – Built Environment (E-BE) System was issued, evaluated and recommended to BAC for award.						
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 2018/19.	0	-	N/A	N/A	N/A	0	0	0	N/A

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 2018/19 APP, Programme 2 has seven quarterly targets. All targets were achieved. The targets for the first quarter performed as follows:

*4.2.1 First draft of the 21 Step Process implementation plan for two categories of high demand BEPs (Architects and Town Planners) – **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 CBEP, determined the number of people with the required occupational skills in both the workforce as well as those unemployed. The occupational teams then determined which occupations were not being developed at the requisite rate to meet the demand.

The target was achieved. The First 21 Step Project Process Plan for two categories of high demand professions implementation plans developed in support of Architecture and Town Planners professionals for the SIPs by 30 June 2018 was successfully discussed with the two respective CBEP Registrars during the first quarter.

*4.2.2 150 Grade 12 learners enrolled in CBE's Maths and Science support programme - **Achieved.***

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

The target was achieved. 153 Learners were registered with COEGA (Port Elizabeth) in the Eastern Cape Province and CUT (Bloemfontein) in the Free State Province to participate in the CBE Maths and Science support programme. The target of 150 was exceeded by three learners.

*4.2.3 25 Candidates placed and assessed for workplace training – **Achieved.***

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

The CBE enrolled BE graduates who are in full-time employment and who qualify to be registered as candidates at their respective CBEP on this programme. Mentors, allocated to candidates, are scheduled to conduct three visits per annum to undertake the following:

- to interpret the outcomes from each of the CBEP in order to map out a generic training plan for the whole candidacy programme, with time lines;
- conduct workplace assessments to establish which CBEP outcomes would be achievable at the workplace, and discuss with the employer plans to close the gap for those not achievable;
- ensure a structured workplace training plan that conforms with the requirements of the CBEP is in place; and
- monitor the candidates' progress on the structured workplace training plan up until the final CBEP interview.

The target was achieved. In the first quarter 26 candidates were placed in the structured candidacy programme and baseline assessments of the candidates and their workplaces were

undertaken. All of our candidates are employed by NW DPWR. The CBE signed a Memorandum of Understanding (MoU) with NW DPWR.

In a baseline assessment conducted to ascertain the extent of training that can take place in-house, the status quo of the following components were determined:

- (i) The candidate's registration status;
- (ii) Have they been seconded, if so for how long?;
- (iii) Candidate's internal registered mentor;
- (iv) Is there a formal training plan in place?; and
- (v) Does their workplace expose them to CBEP outcomes?

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

The aim of this project is for CBE to collaborate with Universities of Technology (UoTs) to place BE 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 Construction Education Training Authority's (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.

This target was achieved, and even exceeded as 139 BE candidates were placed in WIL. The table below indicates a BE qualifications of the 139 placed candidates:

Table 8: BE qualifications of the WIL candidates

Enrolled Qualification	Number of Students
National Diploma: Architecture	4
National Diploma: Building Science	63
National Diploma: Civil Engineering	9
National Diploma: Electrical Engineering	51
National Diploma: Mechanical Engineering	12
Total	139

The CBE has signed MoUs with five UoTs to execute the WIL project (refer table below):

Table 9: MoUs on WIL between CBE and UoTs

UoT	Province	MoU with CBE
Mangosuthu University of Technology (MUT)	KwaZulu-Natal	Yes
Durban University of Technology (DUT)	KwaZulu-Natal	Yes
Walter Sisulu University of Technology (WSU)	Eastern Cape	Yes
Central University of Technology (CUT)	Free State	Yes
Cape Peninsula University of Technology (CPUT)	Western Cape	No
Tshwane University of Technology (TUT)	Gauteng, Mpumalanga, Limpopo	Yes
Vaal University of Technology (VUT)	Gauteng	No

*4.2.5 Progress report on accreditation visits undertaken by the CBEP to evaluate compliance with CHE's 19 Accreditation Criteria - **Achieved.***

This project exercises oversight on the CBEP to ensure that public and private tertiary institutions adhere to an equitable and fair accreditation process. The CBEP are mandated to conduct accreditation on behalf of the Council of Higher Education (CHE); hence the procedures followed should be consistent and aligned to CHE's 19 Accreditation Criteria. In this quarter the Skills Development Department partnered with the University of Johannesburg's Centre for Applied Research and Innovation in Built Environment (CARINBE) to:

- Analyse accreditation documentation to establish compliance with CHE requirements;
- Determine the CBEP's compliance with the 19 CHE criteria; and
- Recommend on the CBEP's compliance to CBE.

The target was achieved. A report on the accreditation visits undertaken was compiled. Only two out of six CBEP (SACAP and ECSA) submitted their 2018/19 academic year accreditation schedules to the various universities and CBE during the first quarter of the 2018/19 academic year.

SACAP had two scheduled accreditation visits to UJ on 9-11 and 16-18 April 2018 respectively, which CBE attended.

Table 10: Learning programmes evaluated

CBEP	Institution	Date	Accreditation outcome
SACAP	University of Johannesburg (UJ)	9-11 April 2018 16-18 April 2018	Both learning programmes received full accreditation.

*4.2.6 One Metropolitan municipality engaged on the implementation of the CBE Structured Candidacy Framework – **Achieved.***

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:

- CBE facilitating assessment and accreditation of workplaces by the CBEP;
- Organisations developing generic training plans for the profession, in alignment with CBEP' competency profile;
- Organisations developing a detailed training plan per candidate;
- CBE facilitating the training of mentors to do formative assessment of each outcome according South African Qualifications Authority (SAQA) requirements (NQF registered unit standard 115753 [Conduct outcomes-based assessment]);
- Fairness, validity, reliability, practicability, etc.;
- CBEP' recognising the formative assessments by mentors; and CBE accrediting mentors.

The target was achieved. The City of Johannesburg was engaged on 19 June 2018.

*4.2.7 Draft project plan on Transformation Indaba, developed and approved by BEMC - **Achieved.***

CBE's annual Transformation Indaba provides a national platform to discuss transformation of the built environment, with a longitudinal view to establish and implement partnerships

towards cooperative large-scale implementation of projects nationally. The intention is for the Transformation Indaba to be an annual event; therefore, it will serve as a 'past-present future' mirror to:

- Gauge the current status of Transformation;
- Provide a platform for collaboration and sharing of knowledge among academia, the public and private sectors;
- Interrogate challenges and possible recommendations/solutions from multi-dimensional perspectives; and
- Track the progress and impact of CBE's interventions to the overall transformation in South Africa year-on-year.

The quarterly target was achieved. The project scope, draft project plan and concept document were approved by the BEMC for approval.

Table 11: Programme 2: Skills for Infrastructure Delivery

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget		Quarterly Targets and Actuals						
					Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
									R'000	R'000		
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.	A Strategic Infrastructure Projects (SIPs) implementation plan for two categories of high demand BEPs (Architects and Town Planners), approved by the CEO by 31 March 2019.		First draft of the 21 Step Process implementation plan for two categories of high demand BEPs (Architects and Town Planners).	Achieved. The first draft of the 21 Step Process implementation plan for the two categories of high demand BEPs (Architects and Town planners) developed and approved.	N/A	N/A	0	0	271%	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
2.2 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of learners enrolled in the Maths and Science support programme.	150 Grade 12 learners enrolled in CBE's Maths and Science support programme by 31 March 2019.	1 041	150 Grade 12 learners enrolled in CBE's Maths and Science support programme.	Achieved. 15 Grade 12 learners enrolled in the Maths and Science support programme in the quarter.	The target was exceeded with three learners.	The three learners were accommodated within the approved budget.	603	668	90%	There was no overspend on the approved budget.
2.3 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of candidates/ BE graduates placed for Workplace training.	50 Candidates/BE graduates placed and assessed in workplace training by 31 March 2019.	1 731	25 Candidates placed and assessed for workplace training.	Achieved. 26 Candidates placed and assessed for workplace training.	One additional candidate was placed.		459	213	54%	Mentoring did not happen for IDT candidates because IDT was having organisational restructuring and we were not too sure if candidates

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget		Quarterly Targets and Actuals						
					Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
												would be retrenched . The mentoring will be done in the second quarter.
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 and assessed for work integrated learning by 31 March 2019.	2 538	100 Interns placed in work integrated learning.	Achieved. 139 Interns placed in work integrated learning.	An addition a39 interns were placed.	N/A	814	402	50.5%	
2.5 A transformed BE with appropriate, adequate skills and competencies, responsive to	Drive and facilitate skills development and transformation within the BE.	Number of oversight reports of BEPCs' Accreditation of BE	One oversight report developed on the accreditation of Academic	31	Progress report on accreditation visits undertaken by the CBEP to evaluate	Achieved. A progress report on accreditation visits undertaken by the	N/A	N/A	0	0	0	Re-allocate the unspent funds to the Maths and Science

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget		Quarterly Targets and Actuals						
					Quarterly performance Target Q1	Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
the country's infrastructure delivery needs.		Academic Programmes.	Programmes undertaken by the CBEP by 31 March 2019.		compliance with the CHE's 19 Accreditation Criteria.	CBEP, to evaluate compliance with the 19 CHE Accreditation Criteria compiled and approved.						support programme.
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.	Four Metropolitan municipalities engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2019.	17	One Metropolitan municipality engaged on the implementation of the CBE Structured Candidacy Framework.	Achieved. CBE presented its Structured Candidacy Framework to the City of Johannesburg.	N/A	N/A	0	0	0	The activity for June 2018 was under budgeted and will be correctly budgeted going forward.

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q1	Deviati on from the Quarte rly target	Correcti ve action	Quarterly budget			
									R'000			
2.7 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of Transformation engagements held with built environment stakeholders.	One Annual Transformation Indaba hosted and reported on to DPW by 31 March 2019.	1 036	Draft project plan on the Transformation Indaba, developed and approved by BEMC.	Achieved.	N/A	N/A	271	23	92%	

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 and the public on BE priority matters identified in the Medium Term Strategy Framework (MTSF). For the 2018/19 APP, Programme 3 has four annual targets. During the quarter, all the targets were achieved. There was not much movement on the budget during the quarter as the nature of work in most of the projects had no cost implications except travel and catering for stakeholder engagements.

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 first quarter performed as follows:

*4.3.1 Concept document outlining initiatives to support infrastructure skills within Government, developed and approved by COO and CEO – **Achieved.***

This project forms part of the CBE's response to strengthen the technical capacity of the public sector for infrastructure delivery. The focus is on facilitating partnerships to support service delivery. It is linked to the Minister's priorities of capacitating the State. The CBE will support and advise the Minister, based on the engagements with partners and the roll out of the targeted capacity building interventions.

*4.3.2 Concept document analysing the impact of the Standards for Infrastructure Procurement and Delivery Management (SIPDM) on attracting and retaining BEPs within DPW, developed and approved by COO and CEO - **Achieved.***

In the previous financial year, the CBE collaborated with National Treasury on the implementation of the SIPDM, with keen interest on the enforcement of registered professionals' involvement in managing the delivery of government infrastructure projects. The focus of the report will be the review of processes within the DPW to ensure that technical officials are registered, as well as direct involvement in the procurement and delivery of infrastructure. The analysis will include amongst others, the realignment of DPW organograms to respond to the SIPDM. In the process of developing the report, the CBE will provide ongoing advice to both National and Provincial DPW departments on matters relating to building technical skills. CBE will further facilitate engagements between the Department and the National Treasury, as the custodian of the SIPDM.

The main objective of the project is to conduct an impact analysis of the SIPDM on attracting and retaining BEPs within DPW by 31 March 2019. The project objectives are therefore to:

- Establish the availability of requisite built environment skills as prescribed by the SIPDM within the selected municipalities.
- Identify individuals who possess built environment qualifications but have not registered with any of the Councils for the Built Environment Professions (CBEP).
- Identify existing processes and legislative frameworks that can be utilised to ensure sustainable technical capacity within DPW.

This project forms part of CBE's response to strengthen the technical capacity of both the public and private sector for infrastructure delivery. The DPW is strategically identified as it

has a mandate to oversee the delivery of infrastructure and asset management within the public sector. The work of CBE includes working closely with DPW's national and provincial departments in identifying their capacity needs and their readiness to implement National Treasury's SIPDM. Moreover, the CBE provides continuous support on technical skills requirement to the DPW through participation in the various reporting platforms. As part of this, the CBE participated in an exercise to establish technical skills baseline information within the DPW to ascertain the Department's readiness to implement the key components of the SIPDM. Issues identified during engagements are utilised to input and advise National Treasury on the opportunities and challenges for the effective implementation of the SIPDM. The critical milestone during the quarter was the agreement with National Treasury to review the current SIPDM, which also takes into consideration improvements on the Infrastructure Delivery Management System (IDMS). Importantly, the CBE has facilitated the involvement of the CBEP in providing advice to government on technical skills for infrastructure delivery. The lessons drawn from the engagements are used to highlight necessary interventions in infrastructure delivery across the three tiers of government.

The target for the quarter was to develop the concept document analysing the impact of the SIPDM on attracting and retaining BEPs within DPW. The concept document was developed and approved by the Chief Operations Officer (COO) and CEO. In the upcoming quarter, a draft report will be developed highlighting key issues arising from the national and provincial DPW technical skills baseline, as well as issues that have been identified as critical in the review of the SIPDM through the engagements with the CBEP and other relevant stakeholders.

*4.3.3. Concept document in Health and Safety regulations within the public sector, developed and approved by the COO – **Achieved.***

This project emanates from the Health and Safety Accord and Action Plan signed in 2013 by the Department of Labour, DPW and labour representatives to promote higher standards of health and safety in the built environment. The Accord was also co-signed by the CBEP as a commitment to promote health and safety in their professional practice. The South African Council for the Project and Construction Management Professions (SACPCMP) is entrusted with the function to register Health and Safety Practitioners in the construction sector. The Department of Labour (DoL) remains the custodian of regulating construction health and safety, and so a formalised partnership through a draft Memorandum of Understanding (MoU) was initiated during this quarter. The partnership is aimed at enabling the CBE to respond to its mandate to promote health and safety, implement determinations that were made through

the Accord, and to create awareness on the importance of compliance with health and safety regulations. The Construction health and Safety Accord is based on the Occupational Health and Safety Act enacted in 1994, which gives workers some rights in health and safety in the workplace. It guides management on setting up safety representatives and safety committees in the workplace.

The main objective of the project is to:

- Facilitate engagements between DoL, the CBEP and other relevant stakeholders.
- Facilitate aspects of health and safety education in the Health and Safety Action Plan.
- Advise infrastructure departments and municipalities on health and safety matters.
- Provide advisory reports to the Minister on the implementation of health and safety standards at the DPW National and Provincial departments.

The target for this quarter was for the concept document on Health and Safety regulations within the public sector to be developed and approved by the COO. The concept document was accordingly developed and approved by the COO. In the upcoming quarter, a draft report will be developed highlighting key issues arising from National and Provincial DPW departments on health and safety as well as the general landscape in the compliance with the regulations. The CBE in collaboration with the DoL and SACPCMP will also facilitate stakeholder engagements to establish the issues relating to health and safety.

4.3.4 Concept documents on BEPs role in the EPWP, developed and approved by COO - Achieved.

The project will be implemented through an existing MoU, signed two years ago between DPW, EPWP and the International Labour Organization (ILO). The initiative seeks to facilitate and support labour intensive practices in the delivery of government infrastructure projects, in line with promoting job creation in the country, with specific interest in the role of built environment professionals. Furthermore, the project seeks to create greater awareness amongst the infrastructure departments, BEPs and tertiary institutions offering BE programmes on labour intensive practices.

The main objective of the project is to advise the Minister, infrastructure departments and BEPs on labour intensive practices in the delivery of Government infrastructure projects. The project objectives are therefore to:

- Establish a baseline of EPWP initiatives.
- Establish the role of BEPs in the EPWP.

- Create awareness amongst infrastructure departments, BEPs and tertiary institutions offering BE programmes on labour intensive practices.

During the quarter, a meeting was convened with the EPWP and ILO teams to revisit the stipulations of the MoU. A draft implementation plan was circulated for input. CBE consulted a number of documents on the current EPWP programmes, including the Ministerial determination in order to establish the baseline on EPWP initiatives. In the upcoming quarter, a draft report will be developed on the EPWP baseline. Projects will be identified in selected provinces to highlight the role of BEPs in promoting labour intensive techniques.

Table 12: Programme 3: BE Research, Information and Advisory

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals					%	
						Actual Q1	Deviation from the Quarterly target	Correctiv e action	Quarterly budget	Actual Expenditure	Variance	Corrective Action in case of poor spending
									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.	A report on the initiatives to support infrastructure skills within Governme nt by 31 March 2019.	0	Concept document outlining initiatives to support infrastructure skills within Government , developed and approved by COO and CEO.	Achieve d. A Concept documen t outlining initiatives to support infrastruc ture skills within Governm ent, develop e d and approved by COO and CEO.	N/A	N/A	0	0	0	N/A
3.2 An optimally functioning BE with a responsive and relevant policy	Provide informed and researched advice by the CBE to Government on	Number of research reports to support infrastructure	A research report, analysing the impact of the	604	Concept document analysing the impact of the	Concept documen t develop e d and	Target achieved . Concept documen	N/A	N/A	20	20	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals						
						Actual Q1	Deviation from the Quarterly target	Correctiv e action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
									R'000			
and legislative framework, based on informed and researched positions.	BE priority matters identified in the MTSF.	delivery in the public sector (Analysis of the impact of SIPDM).	Standards for Infrastruct ure Procureme nt and Delivery Managem ent (SIPDM) on attracting and retaining BEPs within DPW by 31 March 2019.		Standards for Infrastructur e Procurement and Delivery Managemen t (SIPDM) on attracting and retaining BEPs within DPW, developed and approved by the COO and CEO.	approved by COO and CEO.	t develop e d and approved by COO and CEO.					
3.3 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and	Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.	Number of advisory report on Health and Safety regulations within the public sector.	One advisory report on Health and Safety regulations within the public sector, developed and	59	Concept document on Health and Safety regulations within the public sector, developed and	Achieve d. Concept documen t develop e d and approved by COO.	N/A	N/A	0	N/A	N/A	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals						
						Actual Q1	Deviation from the Quarterly target	Correctiv e action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
researched positions.			submitted to Departmen t of Labour by 31 March 2019.		approved by the COO.							
3.4 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 research reports on initiatives to promote labour intensive construction practices in the BE projects.	One advisory report on BEPs role in the Expanded Public Works Programmes (EPWP), developed and submitted to DPW EPWP by 31 March 2019.	174	Concept document on BEPs role in the Expanded Public Works Programmes (EPWP), developed and approved by the COO.	Achieved. Concept document developed and approved by COO and CEO.	N/A	N/A	0	N/A	N/A	N/A

4.4. Programme 4: Regulation and Oversight of six CBEP

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

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

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

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

For the 2018/19 APP, Programme 4 has five quarterly targets, all of which were achieved. The targets performed as follows:

*4.4.1 A report on the compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days from lodgement – **Achieved.***

This project addresses the CBE's mandate to act as an appeals body with regard to matters referred to it in terms of the law regulating the built environment professions. It also gives effect to the CBE's mandate to promote and protect the interest of the public in the built environment. Appeals lodged with the CBE must be decided within 60 days of lodgement.

Four appeals were due for decision during the quarter. The target was achieved. All the appeals were decided within statutory prescribed period of 60 days. Two appeals are pending for decision in the next quarter, and are on track to be decided within the required 60 days of lodgement. The number of appeals lodged has increased year-on-year. It is therefore anticipated that the budget may come under pressure during the latter part of the financial year, however the re-allocation of funds within the Programme should be possible to alleviate this financial constraint.

*4.4.2 Consultation with the six CBEP on the implementation of the identification of work (IDOW) Action Plan – **Achieved.***

CBE is impelled by section 21(2) of The Act to identify the scope of work for each category of registered persons. The process is referred to as the identification of work (IDoW) and the

scoping of the work is determined after consultation with the Competition Commission (CC) and in consultation with the six CBEP.

The objective of IDoW is to enhance the protection and safety of the public and the environment by ensuring that only persons registered in the relevant category of registration (and thus demonstrated the required competence and academic qualifications), perform work in the built environment or take responsibility for work so performed.

The CC rejected applications of behalf of the CBEP to have identification of work exempted from the provisions of the Competition Act (Act 89 of 1998). This decision by the CC obliged the CBE and CBEP to reconsider the manner in which work was initially identified for purposes of the mentioned exemption applications. A workshop was conducted during the last quarter of the previous financial year between the CBE, CBEP and DPW. The result was an IDoW Action Plan, focussing on the CBE's statutory role and addressing the concerns of the CC. The CC's concerns were identified in substantial reasons for the rejection of one application, with assurance given by the CC that the reasons will be substantially the same with regard to all applications.

The target was achieved. The six CBEP were consulted on the implementation of the Action Plan, paving the way for the actual implementation thereof during the remainder of the financial year. The essence of the Action Plan is to invite CBEP to supplement their previous recommendations on the IDoW, addressing the concerns of the CC. The CBE is to further consult all stakeholders and then to identify the scope of work for each category of registration. The aim is to make significant progress with the IDoW process that has been in progress for at least a decade. An approach to achieve the benefits of IDoW, without excluding competent persons in an unfair manner from performing work, is envisaged.

*4.4.3 Monitor and report the progress made by one CBEP on the implementation of the Corporate Governance Framework - **Achieved.***

The CBE adopted a revised Corporate Governance Framework, based on King IV principles. The Framework reflects the principles as well as suggestions on how to comply with them.

The target was achieved. The progress made by one CBEP (SACLAP) on implementing the Framework was monitored and a report was compiled reflecting the findings made during the monitoring. The monitoring report was availed to SACLAP. The general impression is that the level of compliance with the Framework relates directly to the human capital and financial capacity of the respective council. The monitoring will provide the CBEP with information on

the areas of non-compliance, and how to address same. A pro-active role by the CBE to enhance compliance is envisaged.

*4.4.4 First draft of the implementation plan for the six CBEP' alignment of their policies with the Ministerial approved policy framework, developed - **Achieved.***

One of CBE's mandates is to ensure the uniform and consistent application of norms and guidelines by the CBEP through policies. Thirteen concurrent functions were earlier identified, to be underpinned by policies. Alignment of these policies between the CBEP, the CBE and DPW is required. An assessment of the level of alignment of CBEP' policies with the seven Ministerial approved policy frameworks was conducted during the previous financial year. The natural consequence of this assessment was to ensure alignment between CBEP Policies and the frameworks. An implementation plan to ensure alignment is to be developed and approved during the current financial year.

The target was achieved. The draft implementation plan was developed and contains the following core elements:

- (1) Status of alignment of each CBEP,
- (2) Remedial action required to achieve alignment and
- (3) A deadline to finalise the remedial action.

The CBEP will be consulted on the draft implementation plan to arrive at a final implementation plan, addressing the circumstances of each CBEP with its buy-in.

*4.4.5 First draft on the Regulatory Framework on governance oversight of CBEP, developed- **Achieved.***

The CBE, impelled by section 3 (f) of The Act, must promote sound governance of the built environment professions.

The DPW circa 2012 required the six CBEP to develop roadmaps towards compliance with the PFMA as a mechanism to enhance good governance (hereafter referred to as the 2012 Directive). The six CBEP are not listed in the PFMA as entities to comply with the PFMA, contradicting the 2012 Directive and the provisions of the PFMA. This contradiction highlighted the need to engage stakeholders from the CBEP, DPW, National Treasury and CBE to find a solution to the matter. A workshop to resolve the matter was held during the previous financial year and resulted in decisions that:

- (1) DPW will advise the Minister to formally withdraw the 2012 Directive, and
- (2) CBE develops a Framework on Good Governance for the CBEP, in lieu of statutory compliance with the PFMA.

A first draft Framework was developed, containing principles of good practice from the PFMA and the Companies Act. The quarterly target was accordingly achieved. The draft Governance Framework has already been availed to the CBEP in preparation for the consultation required during the second quarter.

Table 13: Programme 4: Regulation and Oversight of six CBEP

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals					%	
						Actual Q1	Deviati on from the Quarter ly target	Correctiv e action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
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.	Finalise 100% of appeals within the statutory 60 days of their lodgement by 31 March 2019.	534	A report on compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days from lodgement.	Achieved. All of the four appeals due for decision were concluded during the quarter.	N/A	N/a	12	6	52%	Expenditur e was effected by revised Action Plan. The target will be achieved met through a reduced budget.
4.2 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Percentage of the IDoW Action Plan deliverables implemented.	Implement 50% of the deliverable s of the identificati on of work (IDoW) Action Plan by 31 March 2019.	400	Consultation with the six CBEP on the implementati on of the identification of work (IDoW) Action Plan.	Achieved. The required consultatio n with CBEP was conducted.	N/	N/a	0	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals						
						Actual Q1	Deviati on from the Quarter ly target	Correctiv e action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
4.3 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Corporate Governance Framework implemented.	A report on the six CBEP' implement ation of the King IV corporate governanc e framework submitted to Council and DPW by 31 March 2019.	0	Monitor and report on the progress made by one CBEP on the implementati on of the Corporate Governance Framework.	Achieved. The required monitoring and reporting on one CBEP was conducted.	N/A	N/a	0	0	0	N/a

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals						
						Actual Q1	Deviati on from the Quarter ly target	Correctiv e action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
4.4 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Implementatio n plan developed to align the six CBEP with the Ministerial approved BE policy frameworks.	An implement ation plan for the six CBEP' alignment of their policies with the Ministerial approved policy framework, developed and approved by COO and CEO by 31 March 2019.	36	First draft of the implementati on plan for the six CBEP' alignment of their policies with the Ministerial approved policy framework, developed.	Achieved. The first draft implement ation plan was developed.	N/A	N/a	0	0	0	N/a
4.5 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Initiatives developed to broaden governance in the CBEP.	A Regulatory Framewor k on governanc e oversight of CBEP, developed	36	First draft of the Regulatory Framework on governance oversight of	Achieved. A first draft Regulatory Framewor k was developed.	N/A	N/a	12	6	52%	Expenditur e was effected by revised Action Plan. The target will be

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals					%	
						Actual Q1	Deviati on from the Quarter ly target	Correctiv e action	Quarterly budget	Actual Expenditure	Variance	Corrective Action in case of poor spending
			by 31 March 2019.		CBEP, developed.							achieved met through a reduced budget.
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.	The six CBEP’ Strategic Plans, APPs and Annual Reports are submitted to DPW by 31 March 2019.	0	-	-	N/A	N/A	0	0	0	N/A

4.5. Programme 5: Government Policies and Priorities

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

*4.5.1 Concept for 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 intensive techniques, and the IDMS into BE academic curricula.

The target was achieved.

Table 14: Programme 5: Government Policies and Priorities

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
5.1 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 the IDMS and SIPDM.	Number of implementation plans incorporating new knowledge in BE curricula.	An implementation plan to incorporate health and safety, sustainability, labour intensive construction and the Infrastructure Delivery Management System (IDMS) into BE academic curricula, developed by 31 March 2019.	617	Concept for Implementation Plan developed.	Achieved. CBE has developed a Concept Document to address this target by proposing an implementation plan to incorporate new the knowledge areas into the built environment academi	N/A	N/A	41	0	100%	To expedite the signing of the MoA with UJ CARINBE

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q1	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q1	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
						c curricula.						

PART D: EXPENDITURE REPORT

COUNCIL FOR THE BUILT ENVIRONMENT

EXPENDITURE REPORT FOR THE QUARTER ENDING JUNE 2018

1. Expenditure versus budget



	Quarter 1				Quarter 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
Levies	40,399	528,625	(488,226)	-92%	40,399	528,625	(488,226)	-92%	40,399	2,125,000	(2,084,601)	-98%
Grant income	25,050,000	25,050,000	-	0%	25,050,000	25,050,000	-	0%	25,050,000	50,100,000	(25,050,000)	-50%
Interest	217,799	375,501	(157,702)	-42%	217,799	375,501	(157,702)	-42%	217,799	1,502,000	(1,284,201)	-85%
Other Income	9,431	-	9,431	0%	9,431	-	9,431	0%	9,431	-	9,431	0%
Total Income	25,317,629	25,954,126	(636,497)	-2%	25,317,629	25,954,126	(636,497)	-2%	25,317,629	53,727,000	(28,409,371)	-53%
Programme												
Administration and Government Policies and Priorities	10,042,033	10,755,222	713,189	7%	10,042,033	10,755,222	713,189	7%	10,042,033	45,540,000	35,497,967	78%
Skills for Infrastructure Delivery	738,042	2,228,989	1,490,947	67%	738,042	2,228,989	1,490,947	67%	738,042	6,399,000	5,660,958	88%
BE Research, Information and Advisory	113,770	129,600	15,830	12%	113,770	129,600	15,830	12%	113,770	615,000	501,230	82%
Regulation and Oversight of six CBEPs	275,408	146,028	(129,380)	-89%	275,408	146,028	(129,380)	-89%	275,408	1,006,000	730,592	73%
Government Policies and Priorities	-	41,750	41,750	100%	-	41,750	41,750	100%	-	167,000	167,000	100%
Total Expenditure	11,169,253	13,301,589	2,132,336	16%	11,169,253	13,301,589	2,132,336	16%	11,169,253	53,727,000	42,557,747	79%
Net Surplus/(Deficit)	14,148,376	12,652,537	1,495,839	12%	14,148,376	12,652,537	1,495,839	12%	14,148,376	-	14,148,376	0%

Explanations for significant deviations:

Revenue

The revenue consists mainly of the Parliamentary Grant funding received from DPW, which was received as budgeted. The unfavourable variance for the quarter is due to the difference in the timing of the expected CBEP levies. Additionally, an unfavourable variance of 3% for the quarter to date is due to an under-collection of interest on the investment account.

Expenditure

The variances on expenditure were as follows:

Programme 1: There was a favourable variance of R713 000 (7%) due to the delay in finalising the wage negotiations.

Programme 2: There was a favourable variance of R1 490 000 (67%) due to the timing of mentorship costs for the structured candidacy project and stipends for interns in workplace training. These expenses will be incurred throughout the year.

Programme 3: There was a favourable variance of R16 000 (12%) for the quarter under review, mainly due to the phased expenditures of travel and accommodation and consulting that differed to the budget.

Programme 4: There was over expenditure resulting in an unfavourable variance of R129 000 (89%), due to appeal committee fees. There were an increased number of appeals that were received in the period and due to the timing of the budgeted costs it could not be determined accurately.

Programme 5: The favourable variance of R42 000 (100%) is mainly due to consulting fees which have not been expensed as budgeted due to a delay in the appointment of a service provider.

**PART E: HUMAN RESOURCE
EXCEPTION REPORT**

Recruitment and Selection

The newly appointed Chief Financial Officer assumed duty in April 2018.

The vacancy of the Skills Development Manager was filled in June 2018.

Staff Movement

The acting arrangement of the Skills Development Practitioner was terminated when the Skills Development Manager assumed duty in June 2018.

Table 15: Employee Statistics

APRIL 2018										
Permanent Employees:										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
18	8	2	0	4	3	1	0	25	11	36
Fixed Term Employees:										
0	0	0	0	0	0	0	0	0	0	0
MAY 2018										
Permanent Employees:										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
18	8	2	0	4	3	1	0	25	11	36
Fixed Term Employees:										
0	0	0	0	0	0	0	0	0	0	0
JUNE 2018										
Permanent Employees:										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
18	9	2	0	4	3	1	0	25	12	37
Fixed Term Employees:										

0	0	0	0	0	0	0	0	0	0	0
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Staff Turnover:

Number of employees at beginning of quarter and at end of quarter (36+37); Divide by 2 = Total (73÷2 = 36.5)
Divide terminations over Total x 100 = turnover % (0÷36.5 x 100 = 0%)

The table above reflects 2 appointments during the period under review.

Table 16: Race 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
African	9	75.0	80.8	18	72.0	80.8	27	73.0	80.8
Colored	0	0.0	8.7	1	4.0	8.9	1	2.7	8.8
Indian/Asian	0	0.0	2.6	2	8.0	2.4	2	5.4	2.5
White	3	25.0	7.9	4	16.0	8.0	7	18.9	8.0
Total	12	100.0		25	100.0		37	100.00	

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 endeavour to correct this with the appointment of African male or female, Coloured male or female at its next recruitment opportunity.

Employee Relations

One grievance was lodged and heard during the quarter, the outcome of which was disputed. The finalisation of the two existing grievances are still pending.

The Labour Court matters regarding the former fixed term employees and that of the former CEO remain pending.

The implementation of the job evaluation exercise was clarified at a meeting with Union Representatives in May 2018.

There was correspondence received regarding the annual adjustment during May 2018. The negotiation meeting did not take place during the quarter under review, however one is scheduled for 12 July 2018.

Performance Management and Development

There was 100% submission of final quarterly reviews. The process is currently awaiting the Auditor General's report to validate organisational performance.

Employee Leave

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

Table 17: Employee Leave

Leave Type	April 2018		May 2018		June 2018		TOTAL	
	Empl	Days	Empl	Days	Empl	Days	Empl	Days
Annual	20	45	14	46	13	60.5	28	151.5
Sick	5	19	6	17	4	20	11	56
Family Resp	0	0	0	0	0	0	0	0
Unpaid	0	0	0	0	0	0	0	0
Study	1	4	2	3	4	14	4	21
Maternity	0	0	0	0	1	23	1	23
Paternity	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0

Absenteeism management solutions indicate that on average, absenteeism rate can fluctuate between 1.5% up to an acceptable maximum of 4%. A total of 56 unplanned person-days were lost during the quarter resulting in a below average absenteeism rate of 2.37%.