



3rd QUARTER PERFORMANCE INFORMATION FOR THE FINANCIAL YEAR 2016/17

Third Quarter 2016/17: 01 October– 31 December 2016

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1. GLOSSARY

Acronyms and definitions

Act	The CBE Act
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
BE	Built Environment
BEP/s	Built Environment Profession/s
BEPC/s	Built Environment Professional Council/s
CBE	Council for the Built Environment
CC	Competition Commission
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
COO	Chief Operations Officer
CGICTPF	Corporate Governance of Information and Communications Technology Policy Framework
Council	CBE Council
CPD	Continuous Professional Development
DoD	Department of Defence
DHS	Department of Human Settlements
DPW	Department of Public Works
DPSA	Department of Public Service and Administration
EPWP	Expanded Public Works Programme
GIS	Geographic Information Systems
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
KMIT	Knowledge Management and Information Technology
Minister	Minister of Public Works
MISA	Municipal Infrastructural Support Agency
MoA	Memorandum of Agreement
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NGO	Non-Governmental Organisation
OCPO	Office of the Chief Procurement Officer
OSD	Occupation Specific Dispensation
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Co-ordinating Committee
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SIPDM	Standards for Infrastructure Procurement and Delivery Management
SIPS	Strategic Infrastructure Projects
SOE	State Owned Entity



TSC	Transformation Steering Committee
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

Built Environment Professional Councils (BEPCs):

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



APPROVAL

This Quarterly Report was approved by:

P. Mdlalose

P. Mdlalose (Ms)

Acting Chief Executive Officer

31/01/31

Date



PART A
EXECUTIVE SUMMARY



2. EXECUTIVE SUMMARY

This report presents the performance of the Council for the Built Environment (CBE) for the third quarter of the 2016/17 financial year. It constitutes six parts. Part A is the Executive Summary, which provides an overall synopsis of the performance of the CBE, in terms of its mandate and strategic objectives as set out in the Strategic Plan. Part B provides a detailed Governance Report. Part C provides a detailed analysis of the performance of each Programme. Part D provides a detailed Financial Report for the quarter. Part E provides a Human Resource Exceptional Report for this reporting period.

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

In Quarter Two the 2016/17 APP had 24 quarterly targets, sixteen (67%) were achieved, one (4%) was partially achieved, and seven (29%) were not achieved.

The 2016/17 APP had 23 quarterly targets set for the third quarter. Of these, seventeen (74%) were achieved, one (4%) was partially achieved, and five (22 %) were not achieved. The general reasons noted for the non-achievement of targets are:

- a) Due to network and server malfunction, 95% of up-time was not achieved. Age-ing hardware and theft of Telkom cables caused extended periods of down-time. As per Council's approved intervention plan, a service provider will be appointed to undertake an in-depth needs analysis of the hardware. Surplus funds, availed by National Treasury, will be used to fund the required upgrades during the fourth quarter.
- b) The second draft of CBE's Information Technology (IT) Governance and IT Strategy was not completed. Due to the Knowledge Management and Information Technology (KMIT) Manager's absenteeism and eventual resignation, the required functions could not be performed. Council approved a short-term intervention plan that entails the appointment of a service provider to carry out the required function during the fourth quarter. The salary costs of the vacant KMIT Manager post will be utilised to fund the appointment of the service provider,
- c) CBE was unable to procure mentorship services for candidates, due to delays experienced in registering successful mentors onto the database, and
- d) Dependency on external stakeholders.

Table 1: Achievement status of quarterly targets

	Number of quarterly targets	Achieved	Partially Achieved	Not Achieved
Quarter 3	23	17	1	5
Programme 1	6	4	0	2
Programme 2	6	4	0	2
Programme 3	4	2	1	1
Programme 4	7	7	0	0

The highlights for the quarter under review were the following:

Programme 1 - Government Policies and Priorities

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

For the 2016/17 APP, Programme 1 has six quarterly targets. Of these, three were achieved, while three were not achieved. The highlights of this Programme were the following:

- The first draft of the Memorandum of Agreement (MoA) to incorporate the way forward based on the baseline study was developed during the second quarter. It was reviewed in the quarter under review and will be circulated to the BEPCs for input in the first month of the last quarter. Parallel to the process was the appointment of a service provider to undertake a baseline study on the extent to which the five knowledge areas of the framework have been implemented within the BE programmes. The baseline study is undertaken upon consensus reached during consultations with the BEPCs on the framework. Further engagements were held with the South African Council for the Architectural Profession (SACAP) and the Department of Human Settlements (DHS) on the framework for incorporation of new knowledge areas.
- Internal controls functioned optimally and no irregular expenditure was incurred. The root cause of all identified irregular expenditure has been addressed.



Programme 2 - Skills for Infrastructure Delivery

The strategic objective of Programme 2 is to drive and facilitate skills development and transformation within the BE. It contains the flagship programmes that drive the implementation of the Transformation Implementation Model of the CBE, with a focus on the Workplace Training Model and the Maths and Science support programme.

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

- The second draft of the project plan was submitted to Council's Built Environment Matters Committee (BEMC) for input during December 2016. CBE attended an Intermediate Body meeting on 19 October 2016 at Indlela, where the focus was on expanding the BE Professions in all nine provinces. There will be quarterly report-back sessions to ascertain progress.
- 52 Interns were placed and mentored.
- The draft Transformation Strategy was developed and circulated among all stakeholders for their final inputs.

Programme 3 - Built Environment Research, Information and Advisory

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

Programme 3 has four quarterly targets. Of these, two were achieved, one was partially achieved, and one was not achieved. The highlight of this Programme was the following:

- A draft advisory report on the implementation of the Occupation Specific Dispensation (OSD) by the Department of Public Work's (DPW) National and provincial departments was developed, and will be presented at the DPW Skills Forum during the last quarter.

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

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

Programme 4 has seven quarterly targets. All of the targets were achieved. The highlight for the quarter was the following:

- All appeals lodged were finalised within the statutory time limit as required.

Financial Performance

The table below reflects the variance between actual expenditure and budgeted expenditure.

Table 2: Actual and budgeted expenditure

	Programme	Actual	Budget	Variance	Variance %	Yearly budget	Variance % on yearly budget
Revenue	1	45,022,890	44,536,350	486,540	1.1	45,861,100	-1.83
	2	0	0	0	0.0	0	0.0
	3	0	0	0	0.0	0	0.0
	4	0	0	0	0.0	0	0.0
Total revenue		45,022,890	44,536,350	486,540	1.1	45,861,100	-1.83
Expenditure	1	26,687,803	30,454,703	3,766,900	12.4	38,841,746	31.3
	2	5,576,511	3,534,159	(2,042,352)	-57.8	4,993,268	-11.7
	3	493,214	781,088	287,874	36.9	1,353,088	63.6
	4	359,287	355,950	3,337	-0.9	672,998	46.6
Total expenditure		33,116,814	35,179,862	2,063,047	5.86	45,861,100	54.4

Revenue

The revenue consists mainly of the Parliamentary Grant funding received from DPW. It was received as budgeted. The favourable variance of 1% is due to an over-collection of levies from the six BEPCs.

Expenditure

The variances on expenditure were as follows:

Programme 1: There was a favourable variance of 31% due to cost saving strategies implemented, as well as a delay in the advertisement and appointment of some senior vacant positions. The services of a consultant are currently being procured to address the IT deficiencies.



Programme 2: There was an unfavourable variance of R2 042 352, which was accounted for as follows:

- R2 750 926 of surplus funds was spent on the Maths and Science support programme, as well as on stipends paid to interns.
- A delay in the appointment of mentors on the structured candidacy project resulted in under-expenditure of R1 026 204.

Programme 3: There was a favourable variance of R287 874 (37%). This under-expenditure in consulting fees was due to the inability to appoint Project Experts.

Programme 4: There was an unfavourable variance of R3 337 (1%), due to over-expenditure in consulting fees. The reason for the over-expenditure is that appeals were received in the quarter under review and the timing of the budgeted costs cannot be determined.



PART B
GOVERNANCE



3. INTRODUCTION

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

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

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

4.1 EXECUTIVE AUTHORITY

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

4.2 THE ACCOUNTING AUTHORITY

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

- a. advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;
- b. facilitate inter-ministerial co-operation concerning issues relating to the built environment;
- c. provide advice and consultation on national policy that could impact on the built environment, human resource development in relation to the built environment professions and the recognition of new professions;
- d. comment, if necessary, on all proposed legislation impacting on health and safety in the built environment;
- e. advise the 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. 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 mandated to effect policy coordination and to ensure the consistent application of policy within the BE, promote the participation of BEPs in integrated development within the context of national goals, and act as the conduit for communication between Government and the BEPs.

4.3 COMPOSITION OF THE COUNCIL

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

- a. One representative from the department (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 professional council; and
- d. Not more than four persons nominated by the public.

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

Table 3: Fourth Term Council

Name	Designation (<i>in terms of the Public Entity Board structure</i>)	Date Appointed	Date Resigned
IM Nkosi (Chairperson)	5(2)(c) SACPCMP	1 August 2014	-
NF Sithole (Deputy Chairperson)	5(2)(d) Public	1 August 2014	-
Adv. DJ Block	5(2)(d) Public	1 August 2014	16 February 2015
CA Breed	5(2)(c) SACLAP	1 August 2014	-



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

Committees of Council:

Statutory Committees

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

Other Committees

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

Executive Committee (EXCO)

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



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

EXCO held a special meeting on 06 October 2016 to consider the following matters:

- Noting of legal advice received on the Appeal/CCMA process regarding the former Chief Executive Officer (CEO),
- Notice of Conciliation and Arbitration (Con/Arb) hearing at the Commission for Conciliation, Mediation and Arbitration (CCMA) and right to object to Con/Arb,
- Representation at Con/Arb and delegation required,
- Way forward with appeal process on the Identification of Work (IDoW).

EXCO also convened its regular meeting during the quarter on 31 October 2016 where the following matters were discussed:

- Approval of CBE's Second Quarter Report for statutory submission
- Stakeholder Management (feedback from Acting CEO)
- Competition Commission and related IDoW matters
- Strategic Risk Register
- IT Governance
- Legal Compliance
- Update on the CEO's CCMA matter

Audit and Risk Committee (ARC)

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

and the internal audit function. The ARC has a policy that outlines its terms of reference.

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

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

Table 4: Audit and Risk Committee membership

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned
D Coovadia	External Member		6 December 2010(1 st Term) 6 December 2014 (2 nd Term)	
M Mthipe	External Member		8 February 2013 (1 st Term) 6 December 2014 (2 nd Term)	
F Docrat	External member		6 December 2014 (1 st Term)	
NF Sithole	Council Member		1 August 2014	
N Maharaj	Council Member		1 August 2014	6 May 2015
JL Margolius	Council Member		Appointed by Council on 27 May 2015.	



The ARC held one regular meeting (on 31 October 2016) and one special meeting (on 07 December 2016) during the quarter. The regular meeting of 31 October 2016 considered the following matters:

- Audit Reports
- Second Quarter Performance
- Finance Report
- Internal Audit Finding Matrix
- Risk Management
- IT Governance
- Human Resource (HR) issues

The Auditor-General South Africa's (AGSA's) draft management letter and audit report were noted and recommended to Council. ARC acknowledged the unqualified report and commended management and the Finance Department on the improvement and performing well under pressure. A number of items were deferred to a special ARC meeting.

The special ARC meeting of 07 December 2016 focussed on:

- Completed Internal Audit activities
- An analysis of Quarter 2 performance information and remedial action/s required
- Strategic Risks
- Legal Compliance Report
- Status of IT, IT Risks, Framework, Policies and Procedures
- Appointment process of Internal Auditors
- Internal Audit Assessment Results
- Review of Supply Chain Management (SCM) processes
- Review of Internal Financial Controls
- Audit of the pre-determined Objectives for Quarter 2

Reports and submissions were considered. ARC would submit a report at the next Council meeting.

Finance, Human Resources and Legal Committee (FHLC)

The mandate of the FHLC is as follows:

A. Finance

- a. Consider matters of financial strategy and policy (including procurement and SCM), risk management and insurance as they relate to the operation of the CBE, in particular the optimum use of available and potential financial resources (including internal investment options and their rate of return).
- b. Consider and assess investment opportunities available to the CBE in respect of all funds, which it



administers, and determine the manner and extent to which funds are to be invested with a view to ensuring both security and optimisation of income.

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

B. Human Resources

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

C. Legal

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

One meeting of the FHLC took place during the quarter under review on 18 November 2016. The following items were also dealt with:

- Review of the SCM Policy
- Review of the Travel Management Framework
- Review of the Finance Policy
- Review of the Petty Cash Policy
- Quarter 2 Expenditure Report
- Quarter 2 Procurement Report
- Report on data contracts and cellphones
- Report on midterm budget review
- Cost Saving Practice Note for noting
- Risk Registers (Strategic and Operational)
- HR Report for noting
- Review of HR Policies
- Office Accommodation
- Request for the appointment of Information Communications Technology (ICT) consultant
- Appeals Outcome
- Active Contract List
- Review of the Appeal Policy
- Consolidated Action Plan: Corporate Governance update
- Social and Ethics Implementation Plan
- Compliance Report

Built Environment Matters Committee (BEMC)

The mandate of BEMC is as follows:

A. Broader Government Priorities and Programmes in the Built Environment

1. Skills Plan for Government's infrastructure rollout programme through the Presidential Infrastructure Coordinating Committee (PICC) and Strategic Infrastructure Projects (SIPs).
2. Job creation initiatives of Government, with links to the Expanded Public Works Programme (EPWP) and the involvement of BEPCs in labour intensive construction.
3. The environmental sustainability agenda, with links to DPW's Green Building initiatives.
4. Health and Safety in construction, with links to the Department of Labour's initiatives and incorporation of health and safety into the curricula of BE academic programmes.
5. Support for the BEPCs' Transformation plans.

B. Skills Development initiatives in the Built Environment

1. Maths and Science support programmes in schools.
2. Monitoring the accreditation of academic programmes and academic institutions.



3. Monitoring professional registration, including the Recognition of Prior Learning (RPL).
4. Quality assured workplace training for new BE graduates (for candidature), and interns (for experiential learning).

C. Research and Information on Built Environment matters

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

D. BEPCs General Matters

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

One meeting of the BEMC took place during the quarter on 09 November 2016. The meeting, not quorated, noted *inter alia*, the following:

- Transformation Plan and Progress Report
- Transformation Indaba - draft concept and terms of reference
- Overall performance during Quarter 2
- Second draft of 2017/18 APP targets

Meetings of Council and Committees

A Council meeting was held on 23/24 November 2016. The first day was a strategic planning session to review the second draft of the APP. The meeting on the 24 November 2016 dealt with the following items:

- Approval of the second draft of the 2017/18 APP
- Feedback on the former CEO's CCMA referral
- IDoW Appeal
- Approval of the SCM Policy
- Approval of the Travel Management Framework
- Approval of the Asset Management Policy

- Approval of the Finance Policy
- Approval of the Petty Cash Policy
- Approval of the Appeal Policy
- Revised Procurement Plan
- Approval of the mid-term budget review
- Approval of Bid 1/2016
- Office Accommodation
- Approval of deviation from Acting and Internal Appointment Policy
- Recruitment process for a CEO
- Approval of the revised Organisational Structure
- Transformation Indaba 2017/18
- Risk Reports
- IT Governance
- Governance Matters

Council noted the second draft of the APP on 23 November 2016, and resolved to hold a Special Meeting on 24 January 2017 for its approval. The procurement of CBE's office accommodation was prioritised by Council as an urgent matter. A resolution was taken on the CEO's disciplinary matter. A number of finance and procurement policies were also approved.

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

Table 5: Council Committees composition and meetings

Council Committee	Number of meetings planned	Number of meetings held	Committee membership	Meeting Attendance	
				06 Oct 16	31 Oct 16
EXCO				06 Oct 16	31 Oct 16
	1	2	IM Nkosi (Chairperson)	Yes	Yes
			NF Sithole (Deputy-Chairperson)	No	No
			Prof KA Michell	No	Yes
			Dr ZT Mathe	Yes	Yes
			S Thubane (Alternate Member)	Yes	Yes
ARC				31 Oct 16	07 Dec 16
	1	2	D Coovadia	Yes	Yes
			M Mothipe	Yes	Yes
			F Docrat	Yes	Yes
			NF Sithole	No	No
			JL Margolius	No	Yes

Council Committee	Number of meetings planned	Number of meetings held	Committee membership	Meeting Attendance	
FHLC				11 Dec 16	-
	1	1	Prof KA Michell (Chairperson) ND Lombard JL Margolius A Sassenberg IM Nkosi RS Sefotlho ZC Mvalo	Yes Yes Yes No Yes Yes No	
BEMC				09 Nov 16	-
	1	1	Dr ZT Mathe CA Breed EG Makongwana D Michell C Mtshisa ZC Mvalo RG Sefotlho S Thubane MM Tshangela	Yes No No No No No Yes No Yes	
Council				23 Nov 16	24 Nov 16
	1	1	IM Nkosi (Chairperson) NF Sithole (Deputy Chairperson) CA Breed ND Lombard EG Makongwana JL Margolius Dr ZT Mathe D Michell, Mr Prof KA Michell C Mtshisa ZC Mvalo A Sassenberg RG Sefotlho S Thubane MM Tshangela	Yes No No No No Yes Yes No Yes Yes No Yes Yes Yes Yes Yes	Yes No No No No Yes Yes Yes Yes Yes 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 6: Council Remuneration

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

Name	Remuneration	Other allowance	Other re-imbursments	Total
IM Nkosi (Chairperson)	52 832.00	-	8 272.40	61 104.40
NF Sithole (Deputy Chairperson)	3 216.00	-	212.05	3 428.05
CA Breed	9 648.00	-	418.08	10 066.08
ND Lombard	19 296.00	-	1 410.99	20 706.99
N Maharaj (Resigned PY)		-		
EG Makongwana	6 432.00	-	0	6 432.00
JL Margolius	19 296.00	-	0	19 296.00
Dr ZT Mathe	13 344.00	-	2 809.83	16 153.83
T Matunda	-	-	-	-
D Michell	16 080.00	-	2 002.64	18 082.64
Prof KA Michell	20 178.00	-	4 406.00	24 584.00
C Mtshisa	-	-	-	-
ZC Mvalo	-	-	-	-
A Sassenberg	6 432.00	-	9 446.54	15 878.54
RG Sefotlho	22 512.00	-	2 794.30	25 306.30

Name	Remuneration	Other allowance	Other re-imbursments	Total
AA Steyn (Resigned PY)	-	-	-	-
S Thubane	12 864.00	-	-	12 864.00
MM Tshangela	-	-	-	-
D Coovadia (Audit Committee External Member)	56 120.00	-	4 518.26	60 638.26
M Mothipe (Audit Committee External Member)	44 896.00	-	590.22	45 468.22
F Docrat (Audit Committee External Member)	56 120.00	-	2 478.48	58 598.48

4.4 RISK MANAGEMENT

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

In line with good governance, risk management and planning is also emphasised to be an element for which the Accounting Authority is directly responsible. Risk Management is also a compliance requirement, as per the PFMA. During the period under review, an Operational risk workshop was planned with staff. However, the workshop did not materialise due to the fact that the entity is still reviewing and/ implementing the risks identified in the 2015/16 financial year, to ensure that they are fully resolved. The updated strategic and operational risks registers, with mitigating plans, were submitted to ARC in October 2016. Risk reports were also submitted to ARC in October and December 2016. These documents will be distributed regularly to ARC members on a quarterly basis, for the monitoring of those mitigating action plans.

4.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT

CBE performed a detailed analysis of the findings, and implemented action plans for all findings raised for the 2015/16 audit. An audit matrix was updated and submitted to ARC in October 2016. This will be updated and submitted on a quarterly basis, to monitor the action plans of all findings raised. 37.5% of the findings have been partially resolved, and a re-assessment of the internal control environment will be performed to establish why the action plans are not sufficient.

A risk assessment has been performed on current shortcomings in the finance processes, and the policies and procedures have been updated to address them.

The policies have been approved by Council and are currently implemented.

4.6 INTERNAL AUDIT

Internal Audit Function

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

CBE's internal auditors, Ngubane and Co have continuously submitted written audit reports to the ARC meetings, based on the approved audit plan.

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

- Audit of the Second Quarter of predetermined objectives
- Risk Management
- Financial Discipline review
- Review of SCM processes Follow up on the prior year's audit findings

An audit matrix of the identified findings has been developed, updated and submitted on a quarterly basis to ARC.

4.7 COMPLIANCE WITH LEGISLATION AND PROCEDURES

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

4.8 FRAUD AND CORRUPTION

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

An external service provider reviewed CBE's fraud prevention plan. During the quarter under review, the updated plan was submitted to ARC for recommendation and approval by Council. The ARC recommended it; however, Council did not quorate to approve it.

CBE contracted Mazars Forensic Services in April 2016 to monitor its fraud hotline. Thus far, one incident of alleged fraud has been reported on the fraud hotline, the details of which were forwarded to the Council

and ARC Chairpersons.

A service provider is conducting a preliminary investigation on the reported incident, which is expected to conclude in the next quarter.

Awareness publicity material on fraud and corruption has been procured. Fraud awareness workshops with staff expected to commence in the upcoming quarter.

4.9 MINIMISING CONFLICT OF INTEREST

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

4.10 CODE OF CONDUCT

The annual declaration forms indicating other business interests, and the confirmation to abide by the code of conduct policy of the organisation, were circulated. All employees have complied with the requirement.

4.11 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

Wellness awareness articles were circulated on a monthly basis covering topics such as corporate wellness, the importance of physical exercise, a healthy lifestyle and several topical medical conditions.

A Health and Wellness Fair was held in December. The programme comprised a motivational speaker and optional testing.

4.12 TRAINING AND DEVELOPMENT

There was no planned training for the period under review.

4.13 SUPPLY CHAIN MANAGEMENT

The table below indicates the total procurement spend on the historically disadvantaged individuals (HDIs) share as 61%. White males record 17%, and 22% of the spend is attributable to state owned entities (SOEs). The CBE will continuously endeavour to increase its HDI percentage.

Table 7: Procurement

Procurement	Procurement for the Second Quarter
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Details	Procurement		Contractual Amount		Totals	Procurement distribution
	R'	%	R'	%	R'	%
HDI	207 791	100%	1 903 878	58%	2 111 669	61%
Women	129 201	62%	1 249 598	38%	1 378 799	40%
Black Male	78 590	38%	654 280	20%	732 870	21%
White Male	0.00	0%	587 390	18%	587 390	0%
SOEs	0.00	0%	777 450	24%	777 450	22%
Total	207 791	100%	3 268 718	100%	3 476 509	100%

On actual procurement spend which excludes long standing contracts, HDIs represent 100% of the procurement spend, mainly attributable to women and SOEs. White males have a 0% spend.



PART C
PERFORMANCE INFORMATION



5. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

CBE implemented its 2016/17 third quarter APP through four programmes viz. Government Policies and Priorities; Skills for Infrastructure Delivery; BE Research, Information and Advisory; and Regulation and Oversight of six BEPCs.

5.1 Programme 1: Government Policies and Priorities

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

This Programme responds to the following mandates of the CBE:

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

It is contributing to the following outcomes of the DPW:

Direct outcomes

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

For the 2016/17 APP, Programme 1 has six quarterly targets. Of these, four targets were achieved, while two were not achieved. The targets for the third quarter performed as follows:



*5.1.1 Second draft MoAs incorporating amendments agreed upon with six BEPCs - **Achieved.***

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

During the quarter, the first draft MoA was revised to incorporate the direction of undertaking a baseline study as per inputs received from the BEPCs in the previous quarters. This baseline study aims to determine the extent to which the identified knowledge areas have been implemented within the BE education programmes. The appointment of the service provider for the baseline study was finalised during the quarter, and the project execution will start in January 2017. A consultation meeting with the service provider will be held during the last quarter.

As part of the additional knowledge area of human settlements planning and design guidelines, a draft partnership document between CBE and DHS was developed during the quarter. The partnership, which will consider the existing one between DHS and DPW, will be finalised during the last quarter. The guidelines for human settlements planning and designs have been included as fifth knowledge area for the baseline study. During the quarter, the CBE provided input and advice to DHS's Steering Committee of the Review of Red Book.

Quarter Two target was developing the first draft of the MoA with amendments developed in consultation with the six BEPCs – this was not achieved but the engagements were initiated during the quarter.

*5.1.2 Implementation plan outcomes – **Achieved.***

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

Based on the recommendations of the Capacity Review Report, the third quarter target was to implement the plan outcomes. The plan, which was tabled at the FHLC meeting, has since been communicated to management, and the third quarter actions implemented accordingly. The first draft of the evaluation report was received. The skills development report and finalised job profiles are expected by end of the year, as planned.

*5.1.3 Second draft of the CBE IT Governance and IT strategy – **Not achieved.***

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

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

The Public Service Act and Regulations places the responsibility of managing electronic governance in the public service with the Minister of Public Service and Administration. The Department of Public Service and Administration (DPSA), in collaboration with the Government Information Technology Officer Council and the AGSA, developed the Corporate Governance of Information and Communications Technology Policy Framework (CGICTPF), whose purpose is to institutionalise the Corporate Governance of and Governance of ICT governance within Departments. The CGICTPF is applicable to all spheres of Government, organs of state and public enterprises.

The second and third quarter targets were not met, due to the absenteeism and eventual resignation of the KMIT Manager. Council approved a short term intervention plan that entails the appointment of a service provider to carry out the required function during the fourth quarter. The salary costs of the vacant KMIT Manager post will be utilised to fund the appointment of the service provider.

*5.1.4 (95 %)up-time of network and server systems maintained - **Not achieved.***

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

- Providing a specification of the required machines to SCM;
- Sourcing a reliable service provider for superior, consistent and differentiated service;
- Developing a project plan;
- Installing and configuring machines ;
- Testing from commission to production; and
- Documenting the newly upgraded server infrastructure environment (i.e. network diagrams and operational and maintenance procedures).

Due to network and server malfunction, 95% of up-time was not achieved. Age-ing hardware and theft of Telkom cables caused extended periods of down-time. A service provider will be appointed as Council's approved intervention plan for an in-depth analysis of hardware. Surplus funds, availed by National Treasury, will be utilised for the required upgrades during the fourth quarter

*5.1.5 Zero irregular expenditure maintained - **Achieved.***

The aim of this project is to ensure full compliance with the PFMA and National Treasury Regulations. The third quarter target was to maintain zero irregular expenditure. The target was achieved. During the quarter, internal controls functioned optimally, and no irregular expenditure was incurred. The root cause of all identified irregular expenditure have been addressed.

The current irregular expenditure incurred relates to contracts, which have been identified as being irregular at the date of award. No additional irregular expenditure has been incurred, other than the expenditure on these contracts. A draft memorandum, in consultation with National Treasury, has been prepared to seek condonation of the prior irregular expenditure.

The Finance Department is currently investigating the possibility of cancelling these contracts, and is awaiting the award of the transversal travel contract. National Treasury has since issued new instructions on this matter, and the procurement will be actioned as soon as the standard bidding documentation is available for use.

*5.1.6. Unqualified audit report - **Achieved.***

The aim of this project is to implement sound financial management and internal controls, to achieve a clean audit. During the quarter, a full verification of all account balances and transactions was performed. The mid-term annual financial statements were submitted to Ngubane & Co to perform the financial discipline and prior year audit follow up. These audits have been finalised with only two significant findings raised, which will be dealt with.

5.2 Programme 2: Skills for Infrastructure Delivery

The strategic objective of Programme 2 is to drive and facilitate Skills Development and Transformation within the BE. It contains the flagship programmes that drive the implementation of the Transformation Implementation Model of the CBE, together with the Workplace Training Model. For the 2016/17 APP, Programme 2 has six quarterly targets. Of these, four were achieved, while two were not achieved. The targets for the third quarter performed as follows:

*5.2.1 Second draft of the Project Plan for the production and development of high demand BEP skills categories (Land and Engineering Surveyors and Geographic Information Systems [GIS] professionals, submitted for input by the BEMC - **Achieved**.*

The second draft Project Plan for the production and development of two high demand BEPs skills categories was successfully completed and submitted to the BEMC for input during December 2016. Feedback from the Geomatics Council was positive in that it accepted the 21 SIPs Steps as a way of increasing the number of identified professionals and expanding the second draft of the report.

CBE also attended an Intermediate Body meeting on 19 October 2016 at Indlela, where the focus was on expanding the BE Professions in all nine provinces. There will be quarterly report-back sessions to ascertain on-going progress in this regard.

*5.2.2 Progress report on the Maths and Science support programme - **Achieved**.*

This project aims to increase the number of disadvantaged learners who can benefit from improved Maths and Science results to afford them opportunities to enter BE careers. CBE aims to accomplish this through partnerships with credible service providers who are capable of delivering improved Maths and Science results in rural areas. More than 450 learners registered to participate in the CBE Maths and Science support programme in the Durban (KwaZulu-Natal), Port Elizabeth (Eastern Cape) and Nelspruit (Mpumalanga) Education Districts.

The target was achieved. The comprehensive report, which includes their baseline, first, second and third term (trial exams) school examination results, looked encouraging in the run-up to the final Grade 12 examinations, scheduled for November 2016. The total number of students to pass their matric will be finalised in the fourth quarter.

*5.2.3 Mentoring of the second batch of 25 candidates/BE graduates placed in the structured candidacy programme - **Not achieved**.*

This project aims to ensure that BE candidates achieve maximum professional development and

professional registration in the shortest possible time by:

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

The target was not achieved, as no mentorship took place during the quarter. CBE was unable to procure mentorship services for candidates due to the delays experienced in registering successful mentors onto the database. However, the evaluation of potential service providers and the database of successful mentors were finalised. Going forward, all 150 candidates will be assigned mentors, and the first contact session with each candidate will take place before 31 March 2017.

*5.2.4 Report on mentorship of the 50 candidates place in the 2014/15 and 2015/16 financial years – **Not achieved.***

The target was not achieved, as no mentorship took place during the quarter. CBE was unable to procure mentorship services for candidates due to the delays experienced in registering successful mentors onto the database. However, the evaluation of potential service providers and the database of successful mentors were finalised.

*5.2.5 Mentoring of the second batch of 50 interns – **Achieved.***

This target was achieved. The aim of this project is to collaborate with Universities of Technology (UoTs) to place students who need to complete work integrated learning (i.e. Practical 1 and 2) in order to graduate. The CBE also monitors and evaluates the workplace training of these interns.

CBE managed to place and mentor 52 interns. Over-achievement of this target was due to additional funds received.

Table 8: Summary of interns mentored, per field of study

Field of study	No of interns
Electrical engineering	34
Mechanical engineering	5
Civil engineering	6



Construction management	4
Architectural technology	3
Total	52

Through visitations, the CBE was able to assess the suitability of the workplaces. All the workplaces were suitable for the training required. One workplace was not suitable for P2 training, as it would be a repetition of P1. Those interns have subsequently been moved to another host employer. All the interns were exposed to the minimum outcomes required by their UoT. Interns who began the program with P1 have completed it, and are now registered for P2. All P2 interns have since completed and qualified for their National Diploma.

5.2.6 Draft Transformation Strategy – **Achieved.**

The overall aim of the project is to refine and update the CBE’s 2013 Transformation Model and Action Plan to reach a unified Transformation Strategy for the BEPCs. This will be achieved through:

- Consolidating findings from the baseline study with the 2013 proposed Transformation Model and Action Plan through active participation and involvement of the BEPCs (and other key role-players);
- Constituting a Transformation Steering Committee (TSC), representative of key role players and contributors, to actively drive the refined transformation strategy in the interim and prior to the establishment of a Non-Governmental Organisation (NGO), as proposed in the 2013 Model; and
- Identification of problem areas in need of redress and potential "quick wins" or "low hanging fruit" (enabled through the baseline study and situational analysis) which will be work shopped by the TSC in order to design feasible interventions.

The target was achieved. The draft transformation strategy was developed and circulated among all stakeholders for their final inputs.



5.3 Programme 3: Built Environment Research, Information and Advisory

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

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

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

It is contributing to the following outcomes of the DPW:

Direct outcomes

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

Indirect outcomes

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

For the 2016/17 APP, Programme 3 has four quarterly targets. Of these two were achieved, one was partially achieved, and one was not achieved. The targets for the third quarter performed as follows:

*5.3.1 Progress report on the activities in the implementation plans - **Partially achieved.***

The project is a programme to support the development of technical capacity within the public sector. It is informed by the CBE's survey on the number of BEPs employed at municipalities, provincial and national departments. During the engagements for data collection with the various departments, other areas



emerged in which CBE can provide support in building the technical BEP capacity of Government.

This project is rooted in CBE's support for public sector BEP capacity building. Its significance is in the assistance to infrastructure departments concerning their internal requisite technical skills to enhance quality in infrastructure delivery. Overall, this will improve Government's service delivery to the communities. The project further supports the existing capacity building initiatives by the municipalities, provincial and national departments.

Partnerships have been formalised with the stakeholders mentioned below, and the following outlines progress on the implementation plans:

Partnership 1 - The Defence Formation Unit of the National Department of Defence (DoD)

The MoA was signed in December 2016. As part of the implementation plan, the following activities have been undertaken:

1. Meeting with DPW and Defence Formation, to ensure alignment of support initiatives.
2. Meeting with DoD and DPSA to clarify issues relating to the OSD, as part of recruiting BEPs for the Defence Formation Unit.
3. CBE delivered a presentation to the Defence Formation Symposium.
4. Continuous advice to the Defence Formation Unit on their recruitment process.

Partnership 2 – Municipal Infrastructural Support Agency (MISA)

The MoA was signed in September 2016 and the implementation plan was finalised in December. A consensus was reached during engagements that the Human Capital Unit of the DPW would play an effective role in the realisation of the objectives of the partnership. As a result DPW is a co-signatory in the CBE/MISA MoU.

Partnership 3 - Eastern Cape DPW

The MoA was signed during the second quarter. The implementation plan is yet to be finalised, and a follow up meeting is scheduled for the last quarter to discuss issues relating to the challenges of professional registration of the Department's technical officials. It is further proposed that the implementation plan will be amended to incorporate aspects of application of OSD and the Standards for Infrastructure Procurement and Delivery Management (SIPDM) within the Department. In line with this partnership, continuous engagements were held with the DPW provincial departments of Limpopo and Mpumalanga on issues relating to the attraction and retention of technical skills, professional registration of officials (facilitation of meetings with relevant BEPCs) and implementation of the OSD. Draft MoAs have been developed and will be finalised during the last quarter.

Progress reports on the implementation plans of the partnerships have been developed.

*5.3.2 Progress report on the activities in the implementation plans – **Achieved.***

The main objective of the project is to establish a partnership with the Office of the Chief Procurement Officer (OCPO) to support improved delivery of infrastructure and asset management, whilst promoting the IDMS amongst BEPs. The partnership with the OCPO will enable the CBE to advise Government on issues relating to, amongst others, the implementation of the IDMS by infrastructure departments, regulation of fees and other procurement issues impacting the BE. This partnership is also based on the previous research undertaken by the CBE on issues pertaining to infrastructure procurement and those that impact on the BEPs. The partnership seeks to facilitate effective implementation of the IDMS and SIPDM, and forms part of CBE's response to strengthening technical capacity in both the public and private sector for infrastructure delivery. The DPW has a mandate to oversee the delivery of infrastructure and asset management of the country; hence, this partnership with the OCPO will place the CBE at an advantage to advise the Minister on the challenges related to procurement and other processes.

The target was achieved. The MoA, including an implementation plan, was signed between CBE and the OCPO during the second quarter. The steering committee met during the quarter to discuss the progress on the implementation plan and the way forward.. A progress report has been developed. As part of the implementation plan, the CBE participated in the various provincial awareness campaigns on the implementation of the SIPDM by provincial infrastructure departments and municipalities. One of the notable issues is that the SIPDM forces the departments to involve BEPs in the procurement and delivery of infrastructure.

The role of CBE in supporting the departments and municipalities in attracting and retaining the BE skills is elevated. This includes facilitation of registration of existing BE skills within the public sector.

*5.3.3 Second draft advisory report on the implementation of the OSD by DPW National and provincial departments - **Achieved.***

The rationale of this project is shaped by the work of the CBE during the 2015/16 financial year. A critical analysis of the OSD on Engineering and related qualifications was undertaken on whether it enhances or hinders the attraction and retention of BEPs within the public sector, with specific focus on the DPW's provincial departments. The project seeks to facilitate engagements with DPSA on the current OSD regime and how it can support the skills development initiatives implemented in DPW national and provincial departments, to attract and retain BE skills in the public sector.

The target was achieved. A report has been developed and will be presented at the DPW Skills Forum during the last quarter. CBE continuously provides advice to the various departments, and facilitates necessary engagements with the DPSA on issues relating to implementation of the OSD. One of the challenges that have been identified in the engagements is the lack of human capacity within the DPSA to effectively provide support to the infrastructure departments on the application of the OSD.

*5.3.4 Progress report on the activities in the implementation plans - **Not achieved.***

This project is a component of initiatives that seek to create awareness for BEPs on the application of labour intensive practices in infrastructure delivery, to ultimately contribute to job creation in the BE sector. The partnership with EPWP / International Labour Organization (ILO) was established to draw lessons from various projects, of both small and big construction projects. This project will also facilitate mechanisms to ensure that Government's infrastructure and construction project contracts incorporate requirements of labour intensive construction and contribute to job creation opportunities. It will also facilitate the inclusion of labour intensive techniques into BE curricula and CPD programmes.

During the quarter, the MoA implementation plan was developed with input from EPWP/ILO, and submitted to DPW for further input as the custodians of the EPWP. This project has encountered delays due to the non-response from EPWP. The issue has been escalated to the Acting CEO for intervention, to have the MoA signed during the last quarter.



5.4 Programme 4: Regulation and Oversight of six BEPCs

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

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

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

It contributes to the following outcomes:

Indirect outcomes

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

For the 2016/17 APP, Programme 4 has seven quarterly targets. All the targets were achieved. The targets for the second quarter performed as follows:

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

The aim of this target is to protect public interest by hearing all appeals within 60 days of lodgement, as prescribed in terms of section 21 of the CBE Act 43 of 2000 ('the Act'). According to the Act, read together with section 4 paragraph (m) thereof, the CBE is empowered and obliged to hear an appeal lodged by a party, aggrieved by the decision of any of the BEPCs in terms of the professions Act. The Appeals Committee was established as a response to the provisions of section 21 of the Act. It stipulates that any person who is aggrieved by a decision of any of the councils for the professions, may, upon payment of the prescribed fee and within 30 days from that person becoming aware of such decision, appeal to the council in writing. The council must consider and decide on the appeal.

The target was achieved. Two appeals were decided during the quarter. Both appeals were concluded within the prescribed period of sixty days. The Policy on Conducting Appeals was reviewed and revisions were approved by Council on 24 November 2016 for implementation.

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

Section 20 of the Act requires the IDoW to be performed by persons registered with a BEPC in an appropriate category. The said IDoW is preceded by inter alia, consultation with the Competition Commission (CC). The CC required exemption applications on behalf of all six BEPCs, which were lodged during previous financial years. The CC rejected the exemption applications.

CBE continued to seek to engage the CC on reaching an amicable resolution on the rejected exemption applications, but attempts to set up a discussion platform with the CC was not successful. The CBE has instructed attorneys to proceed with an appeal and/or review of the CC's decisions to reject the CBE's exemption application. However, it will simultaneously continue to seek an amicable resolution with CC on this matter.

The target was achieved. The CBE engaged with the BEPCs on the exemption applications and the actions set out above.. A report on engagement with BE professional bodies on the IDOW exemption applications was developed and approved by the CEO.

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

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

The target was achieved. The work done in the third quarter was a continuation of the work done in the previous quarter by assessing the implementation of the corporate governance framework by BEPCs. In addition to the two assessments done in the second quarter, the remaining BEPCs were assessed. Two BEPCs did not provide updated information, resulting in their assessments done on the initial information provided.

No significant improvement was identified, and the BEPCs' levels of compliance stagnated when compared to its provisional assessment of 2015. This is deemed to be due to capacity constraints - financial and personnel. Greater collaboration between the BEPCs and CBE is required to improve their compliance levels.

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

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

The target was achieved. The required workshop was held on 3 December 2016 where the Tribunal and Appeals Policy Framework was presented. The framework intends to address the lack or poor alignment in appeal processes between CBE and the BEPCs which has led to inconsistencies in managing appeals.



At the workshop, the BEPCs also highlighted the complexity imposed by the legislative provision that prohibits the delegation of the appeals function to a committee of council. This restriction causes additional administrative costs to adjudicate appeals, as constituting a council meeting is expensive for the BEPCs. To remedy the dilemma, the workshop discussed various methods to overcome the challenges posed by the legislative requirements, inter alia, delegating the appeal adjudication function to a committee of council with the consent of the Appellant.

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

The target was achieved. The required assessment report on the compliance with the PFMA roadmap by the six BEPCs was compiled. The main area of concern identified during the assessment is the lack of internal controls for financial and risk management in most BEPCs. A lack of resources seems to be the reason. One of the methods to alleviate financial constraints is to share services where feasible, and CBE should facilitate this amongst BEPCs.

The establishing of a central Audit Committee for the BEPCs is being considered – one that will be responsible for monitoring functions such as financial controls, risk management, planning and reporting.

*5.4.6 Consultation with three BEPCs on the development of their Strategic Plans, APPs and Annual Report – **Achieved.***

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

The target was achieved. The consultation took place during the Registrar's Forum of 02 November 2016. CBE has received SACPCMP's draft Strategic Plan. SACLAP started their alignment, and will submit their Strategic Plan by the end of the third quarter. Meetings are planned with SACQSP and SACPVP during the last quarter, in order to assist with the drafting of their Strategic Plans. SACLAP held a meeting with DPW on 08 December 2016 to discuss the funding for their 2017/18 APP.

*5.4.7 Draft Oversight report on the implementation of the Monitoring and Evaluation Framework by BEPCs – **Achieved.***

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

- Assisting professional councils to submit their Quarterly Reports, Annual Reports, Strategic Plans and Annual Performance Plans as per agreed time lines;

- Assisting professional councils to comply with all statutory reporting requirements for programme performance information, as well as laying the foundations for audits of non-financial information;
- Synchronising the planning and reporting processes of CBE and the professional councils with the performance management and reporting systems of Government, located within the Government-wide Monitoring and Evaluation Framework;
- Developing a monitoring and reporting system on the 13 public functions and programmes and projects of the BEPCs, aligned to developmental priorities of Government; and
- Revising the monitoring and reporting templates of the 13 functions.

The target was achieved. The draft Oversight report on the implementation of the Monitoring and Evaluation Framework by BEPCs was developed. The professional councils have complied with the set date for the submission of their Annual and Quarterly Reports to CBE. Regarding their APPs and Strategic Plans, the CBE has received these from ECSA, SACAP, and SACPCMP and is working with SACQSP, SACPVP and SACLAP to finalise theirs.



Programme 1: Government Policies and Priorities

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Performance Target Q3	Quarterly Targets and Actuals					% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly Budget	Actual Expenditure		
									R'000	R'000		
1.1A built environment that is responsive to the developmental and economic priorities of Government.	BE academic curricula and CPD programmes embody issues of health and safety in construction, environmental sustainability, and job creation through labour intensive construction and the IDMS.		Annual target: Six MoAs signed with BEPCs to facilitate engagements with BE academic institutions on incorporating health and safety, sustainability, labour intensive techniques and the IDMS into BE academic curricula by 31 March 2017.	453	Second draft MoAs incorporating amendments agreed upon with six BEPCs.	Achieved	N/A	N/A	105	38	31.4%	The remaining budget will be spent as per the milestones indicate on the contract



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly Budget			
									R'000			
1.2			Job profiling of all positions and a skills development report, finalised and submitted to Council for approval by 31 March 2017.	250	Implementation plan outcomes.	Achieved	N/A	N/A	0	0		N/A
1.3		Efficient and effective knowledge management of the IT service.	Developed IT governance, in compliance with the DPSA Corporate Governance of ICT, and implementation of the IT Strategy by 31 March 2017.	Not allocated. The development of IT Governance and Strategy will be performed in-house.	Second draft of the CBE It Governance and IT strategy.	Not achieved	The second draft IT governance and IT strategy was not completed due to a lack of capacity (absentism and eventual resignation of the KMIT Manager).	An external service provider will be procured during Q4 to provide the required IT Governance policies and frameworks.	125	0	100%	A service provider will be appointed to provide the required governance policies.



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly Budget			
									R'000			
1.4			Upgraded server infrastructure.		(95 %)up-time of network and server systems maintained.	Not achieved	Numerous failures of the network and server systems occurred during Q3, due to failing hardware and theft of Telkom cables.	A service provider will be procured during Q4 to conduct a need analysis on hardware and systems. Surplus funds to be utilised to update hardware accordingly.	368	370	0.40	N/A
1.5		Reduced irregular expenditure baseline.	Zero irregular expenditure.	0	Zero irregular expenditure maintained.	Achieved	N/A	N/A	0	0	0	N/A
1.6		Clean audit report.	Unqualified audit report for 2016/17.	0	Unqualified audit report	Achieved	N/A	N/A	0	0	0	N/A

Programme 2: Skills for Infrastructure Delivery



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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
2.1 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of high demand skills professions categories developed for SIPs.	Development of three BEPs categories Project Plan to support the production of two high demand BEP skills categories (Land and Engineering Surveyors, GIS professionals) for SIPs by 31 March 2017.	159	Second draft of the Project Plan for the production and development of high demand BEP skills categories (Land and Engineering Surveyors and GIS professionals, submitted for input by the BEMC.	Achieved	N/A	N/A	160	2	98%	



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	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 students enrolled in the Maths and Science support programme.	450 learners from a pool of grade 10-12 learners enrolled in the Maths and Science support programme by 31 March 2017.	3 550	Progress report on learners in Maths and Science support programme.	Achieved	N/A	N/A	450	1 255	-179%	Although the budget shows over expenditure, CBE is using surplus funding to cover it.
2.3 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of candidates/BE graduates placed for workplace training.	50 candidates/BE graduates in workplace training by 31 March 2017.	1 050	Mentoring of the second batch of 25 candidates/BE graduates.	Not achieved	Finalised the evaluation of potential service providers and the database of successful mentors.	The first contact session with each candidate to take place before 31 March 2017			100%	The activities in the 4 th quarter will ensure an expenditure of the entire budget as mentorship activities kick off



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
			Monitoring and Evaluation Report of the 100 candidates placed in the 2014/15 and 2015/16 financial years.		Report on the mentoring of 50 candidates placed in the financial years 2014/15 and 2015/16.	Not achieved	Finalised the evaluation of potential service providers and the database of successful mentors. No mentorship took place.	The first contact session with each candidate to take place before 31 March 2017.			100%	The activities in the 4 th quarter will ensure an expenditure of the entire budget as mentorship activities kick off.
2.4 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of interns placed for workplace training.	100 interns placed for work integrated learning.		Mentoring of the second batch of 50 interns.	Achieved	N/A	N/A	841	1 207	-143.47%	No poor spending, but made use of surplus funds.



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
2.5 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	One project on accreditation of BE academic programmes and institutions.	Report on accreditation academic programmes and institutions, submitted to BEMC, by 31 March 2017.	240	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2.6 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of Transformation initiatives within BEPs.	Developed Transformation Strategy by March 2017.	560	Draft Transformation Strategy.	Achieved	N/A	N/A	98	98	0	N/A



Programme 3: BE Research, Information and Advisory

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
3.1 An optimally functioning BE with a responsive and relevant policy and legislative framework based on informed and researched positions.	To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.	Number of initiatives on BE professionals employed at municipal, provincial and national departments by 31 March 2017.	Three partnership projects to support BE technical capacity within municipal, provincial, and national departments completed by 31 March 2017.	815	Progress report on the activities in the implementation plans	Achieved	N/A	N/A	272	650	66%	Implementation plans are completed and budget will be spent as per the milestones indicated.



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
3.2 An optimally functioning BE with a responsive and relevant policy and legislative framework based on informed and researched positions.	To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.	Number of Initiatives to support infrastructure delivery in the public sector.	One partnership with the OCPO on infrastructure delivery in the public sector, by 31 March 2017.	372	Progress report on the activities in the implementation plans.	Achieved	N/A	N/A	123	54	56%	Implementation plans have been finalised and activities carried out. The budget will be spent before the end of the financial year.



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
3.3 An optimally functioning BE with a responsive and relevant policy and legislative framework based on informed and researched positions.	To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.		Advisory report on the implementation of the OSD by DPW National and Provincial departments to attract and retain BEPs developed by 31 March 2017.	178	Second draft advisory report on the implementation of OSD by DPW National and Provincial departments.	Achieved.	N/A	N/A	2500	158	76.6%	The project had included departmental capacity, which was later called off by the Acting CEO.



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
3.4 An optimally functioning BE with a responsive and relevant policy and legislative framework based on informed and researched positions.	To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.		One MoA with EPWP/ILO on programmes to promote labour intensive practices in BE projects by 31 March 2017.	272	Progress report on the activities in the implementation plan.	Not achieved		This project encountered delays due to the non-response from EPWP. The issue has been escalated to CBE's Acting CEO for intervention to have the MOA signed during the last quarter.	50	0		



Programme 4: Regulation and Oversight of six BEPCs

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actual							
				R'000	Quarterly performance Target	Actual	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
					Q3	Q3			R'000	R'000		
4.1 BEPs who operate within a regulated policy and legislative framework.	Act as an appeal body on matters of law regulating the BEPs, and promote and ensure high standards of professional ethics within the BE.	Percentage of appeals submitted to CBE by persons aggrieved by decisions of the six BEPCs, finalised within statutory 60 days from lodgement.	100% finalisation of appeals within the statutory 60 days by 31 March 2016.	316	100% finalisation of appeals within 60 days.	Achieved	N/A	N/A	100	185	85	No corrective action required as expenditure is line with the annual budget.
4.2 BEPs who operate within a regulated policy and legislative framework.	Implementation report of the CC decision on the IDoW exemption applications for the six BEPCs.	Implementation report of the CC decision on the IDoW exemption applications for the six BEPCs.	A report on engagements between the CC and the BE professional bodies, by 31 march 2017.	3	A report on engagement with BE professional bodies on the IDoW exemption applications	Achieved	N/A	N/A	50	0	100	Expenditure will be utilised to fund litigation on the IDOW rejected exemption application.



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actual							
					Quarterly performance Target Q3	Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
				R'000				R'000	R'000			
4.3 BEPs who operate within a regulated policy and legislative framework.	Adoption and implementation by the six BEPCs of a CBE all-encompassing Monitoring and Evaluation Framework.	Implementation analysis of CBE's corporate governance framework for the six BEPCs.	Final report on the progress made by the six BEPCs on the implementation of the Corporate Governance Framework, submitted to Council and DPW by 31 March 2017.	2	Monitor and report on the progress made by the six BEPCs on the implementation of the Corporate Governance Framework.	Achieved	N/A	N/A	0	0	N/A	N/A
4.4 BEPs who operate within a regulated policy and legislative framework.		Implementation programme of Ministerial approved BE policy frameworks and their translation into rules by the six BEPCs.	Three workshops to facilitate the alignment of the Ministerial approved BE policy frameworks by the six BEPCs.	5	One workshop to facilitate the alignment of the Ministerial approved BE policy frameworks by the six BEPCs.	Achieved	N/A	N/A	0	0	N/A	N/A



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actual							
				R'000	Quarterly performance Target	Actual	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
					Q3	Q3			R'000	R'000		
4.5 BEPs who operate within a regulated policy and legislative framework.		PFMA compliance roadmap by the six BEPCs.	Submission of the six BEPCs' PFMA compliance report to DPW by 31 March 2017.	17	Assessment report on the compliance with PFMA roadmap by the six BEPCs.	Achieved	N/A	N/A	0	0	N/A	N/A
4.6 Six 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 BEPCs submitted to DPW.	Six BEPCs Strategic Plans, APPs and Annual Reports submitted to DPW by 31 March 2017.	0	Consultation with three BEPCs on the development of their Strategic Plans, APPs and Annual Reports.	Achieved	N/A	N/A	0	0	0	N/A



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actual							
					Quarterly performance Target Q3	Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending
				R'000				R'000	R'000			
4.7 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Adoption and implementation of an all-encompassing CBE Monitoring and Evaluation Framework By the six BEPCs.	Oversight report on the implementation of an all-encompassing CBE Monitoring and Evaluation Framework by the six BEPCs, submitted to Council and DPW by 31 March 2017.	0	Draft Oversight report	Achieved	N/A	N/A	0	0	0	NA



**PART D
EXPENDITURE REPORT**



COUNCIL FOR THE BUILT ENVIRONMENT

Account	Quarter 3				YTD			
	Actual	Budget	Variance	Var%	Actual YTD	Budget YTD	Variance YTD	Var%YTD
Other Income								
1000 (Levies SACAP)	259,728.00	-	259,728.00	-	259,728.00	247,414.00	12,314.00	4.98
1000 (Levies SACLAP)	(36.00)	-	(36.00)	-	(36.00)	-	(36.00)	-
1000 (Levies ECSA)	293,160.00	-	293,160.00	-	1,136,247.00	645,712.50	490,534.50	75.97
1000 (Levies SACQSP)	110,790.63	-	110,790.63	-	110,790.63	-	110,790.63	-
1000 (Levies SACPVP)	-	-	-	-	21.00	34,643.50	(34,622.50)	(99.94)
1000 (Levies SACPCMP)	34,503.00	-	34,503.00	-	93,870.00	72,230.00	21,640.00	29.96
2500 (Grant Income)	21,706,500.00	21,706,500.00	-	-	43,413,000.00	43,413,000.00	-	-
2751 (Interest received-Investment)	-	108,250.00	(108,250.00)	-	-	108,250.00	(108,250.00)	(100.00)
2800 (Profit on sale of assets)	-	-	-	-	3,630.00	-	3,630.00	-
2900 (Sundry income)	5,639.62	-	5,639.62	-	5,639.62	15,100.00	(9,460.38)	(62.65)
Total Other Income	22,410,285.25	21,814,750.00	595,535.25	2.73	45,022,890.25	44,536,350.00	486,540.25	1.09
Other Expense								
3025 (Audit fees)	287,754.94	1,004,879.00	717,124.06	71.36	1,289,552.71	1,676,010.00	386,457.29	23.06
3050 (Advertising and Promotions)	53,064.80	45,666.00	(7,398.80)	(16.20)	122,066.40	235,666.00	113,599.60	48.20
3055 (Forums)	-	95,000.00	95,000.00	100.00	73,534.00	95,000.00	21,466.00	22.60
3110 (CBE Awareness and Publicity)	15,000.00	53,000.00	38,000.00	71.70	15,000.00	53,000.00	38,000.00	71.70
3115 (CBE Events)	-	350,000.00	350,000.00	100.00	-	-	-	-
3200 (Bank charges)	26,194.16	15,552.00	(10,642.16)	(68.43)	32,453.23	23,328.00	(9,125.23)	(39.12)
3220 (Council Honorarium - Council Meeting)	323,400.31	355,086.00	31,685.69	8.92	463,342.70	531,820.00	68,477.30	12.88
3225 (Catering)	50,888.81	48,978.00	(1,910.81)	(3.90)	73,445.16	126,228.00	52,782.84	41.82
3230 (Consulting fees)	2,037,843.63	2,407,580.00	369,736.37	15.36	3,225,988.44	4,590,730.00	1,364,741.56	29.73
3233 (Mentors)	2,013,000.00	1,370,001.00	(642,999.00)	(46.93)	3,138,000.00	1,790,001.00	(1,347,999.00)	(75.31)
3260 (Communications)	143,565.27	242,674.00	99,108.73	40.84	226,944.71	347,674.00	120,729.29	34.72
3300 (Computer expenses)	295,314.22	275,000.00	(20,314.22)	(7.39)	368,491.42	495,000.00	126,508.58	25.56
3330 (Conferences and Seminars)	390.00	10,000.00	9,610.00	96.10	390.00	-	(390.00)	-



COUNCIL FOR THE BUILT ENVIRONMENT

Account	Quarter 3				YTD			
	Actual	Budget	Variance	Var%	Actual YTD	Budget YTD	Variance YTD	Var%YTD
3400 (Courier and Postage)	8,985.39	14,102.50	5,117.11	36.29	37,326.06	20,102.50	(17,223.56)	(85.68)
3650 (Electricity and Water)	222,820.05	241,500.00	18,679.95	7.73	332,135.33	362,250.00	30,114.67	8.31
3850 (Insurance)	111,506.15	74,395.00	(37,111.15)	(49.88)	157,287.46	161,395.00	4,107.54	2.55
4000 (Legal fees)	1,685,874.34	-	(1,685,874.34)	-	1,685,874.34	-	(1,685,874.34)	-
4170 (Parking and Landscaping)	257,877.40	262,035.00	4,157.60	1.59	395,134.00	395,132.00	(2.00)	(0.00)
4200 (Printing and Stationery)	17,342.53	168,000.00	150,657.47	89.68	27,507.02	125,659.00	98,151.98	78.11
4295 (Building costs)	38,480.54	74,315.00	35,834.46	48.22	71,377.23	104,865.00	33,487.77	31.93
4300 (Rent Paid)	2,025,123.92	2,107,383.00	82,259.08	3.90	3,103,012.46	3,152,610.00	49,597.54	1.57
4301 (Rates and Taxes)	-	145,608.00	145,608.00	100.00	-	218,412.00	218,412.00	100.00
4326 (Relocation expense)	-	151,000.00	151,000.00	100.00	-	151,000.00	151,000.00	100.00
4350 (Repairs and Maintenance)	18,538.77	11,200.00	(7,338.77)	(65.52)	43,799.68	14,700.00	(29,099.68)	(197.96)
4400 (Salaries and Wages)	6,866,574.15	12,386,419.00	5,519,844.85	44.56	10,196,099.00	18,644,215.00	8,448,116.00	45.31
4420 (PAYE)	2,788,930.27	118,362.00	(2,670,568.27)	(2,256.27)	4,138,008.44	177,273.00	(3,960,735.44)	(2,234.26)
4430 (Company Contribution: Medical Aid)	385,431.50	-	(385,431.50)	-	587,721.50	-	(587,721.50)	-
4440 (Company Contribution: Provident Fund)	1,307,573.60	-	(1,307,573.60)	-	1,989,912.22	-	(1,989,912.22)	-
4445 (Staff Training, Development and other)	20,795.00	89,037.00	68,242.00	76.64	24,487.40	89,037.00	64,549.60	72.50
4450 (Staff Training)	-	23,000.00	23,000.00	100.00	7,150.00	23,000.00	15,850.00	68.91
4500 (Staff Welfare)	27,872.50	78,022.00	50,149.50	64.28	40,983.08	111,922.00	70,938.92	63.38
4550 (Subscriptions)	-	60,000.00	60,000.00	100.00	37,100.00	60,000.00	22,900.00	38.17
4650 (Travel and Accommodation)	722,707.38	851,113.00	128,405.62	15.09	1,126,984.51	1,403,832.00	276,847.49	19.72
4750 (UIF)	57,988.34	-	(57,988.34)	-	85,705.56	-	(85,705.56)	-
4850 (Publishing)	85,705.56	63,500.00	(22,205.56)	(34.97)	-	-	-	-
Total Other Expense	21,896,543.53	23,192,407.50	1,295,863.97	5.59	33,116,814.06	35,179,861.50	2,063,047.44	5.86
Loss Before Tax	513,741.72	-1,377,657.5	1,891,399.22		11,906,076.19	9,356,488.50	2,549,587.69	



PART E
HUMAN RESOURCE
EXCEPTION REPORT



HUMAN RESOURCE EXCEPTION REPORT

Recruitment and Selection

Interviews were held for the vacant positions of the Operations Administrative Officer, Human Resources Generalist and the Committee Secretary. The successful applicants joined the organisation in November 2016.

Staff Movement

One resignation was received from the KMIT Manager. While the vacancy of the CEO has not been filled, the Chief Operations Officer (COO) continues in the role as the Acting CEO. Her regular COO role has been assigned temporarily to the Manager: Regulations and Legal Services. This has led to the Legal Compliance Specialist being given an additional responsibility on a temporary basis as Acting Manager: Regulations and Legal Services.

Table 9: Permanent Employees

October 2016										
Permanent Employees										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
14	5	2	1	3	3	1	1	20	10	30
Fixed Term Employees										
0	0	0	0	0	0	0	0	0	0	0
November 2016										
Permanent Employees										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
15	5	2	1	3	3	1	1	21	10	31
Fixed Term Employees										
1	0	0	0	0	0	0	0	0	0	1
December 2016										



Permanent Employees										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
15	5	2	1	3	3	1	1	21	10	31
Fixed Term Employees										
1	0	0	0	0	0	0	0	0	0	1

Staff Turnover:

Number of employees at beginning of quarter and at end of quarter (30+31)

Divide by 2 = Total (61÷2 = 30.50)

Divide terminations over Total x 100 = turnover % (1÷30.50 x 100 = 3.28%)

The table above reflects 1 termination and 2 appointments during the period under review.

Table 10: Racial and Gender Equity

Population group	Male			Female			Total		
	No.	% male population		No.	% female population		No.	% of total Population	
		CBE	SA Population		CBE	SA Population		CBE	SA Population
African	5	50.00	80.6	15	71.43	80.40	20	64.52	80.50
Coloured	1	10.00	8.70	1	4.76	8.90	2	6.45	8.80
Indian/Asian	1	10.00	2.60	2	9.52	2.40	3	9.68	2.50
White	3	30.00	8.20	3	14.29	8.30	6	19.35	8.30
Total	10		100.00	21		100.00	31		100.0

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

Employee Relations

One disciplinary enquiry is still pending. The former employee, who was the first applicant in the arbitration, has failed to pursue the CCMA matter since lodging it at the Labour Court in June 2016. Thus, the Labour Court is expected to dismiss the matter shortly, due to the time lapsed. The Labour Court decision regarding the other two applicants is still pending. There is continuation of the arbitration case at the CCMA lodged by the CEO who was dismissed in August 2016.



Employee Leave

The table below indicates the number of leave types in terms of planned and unplanned days taken during the period under review. A disciplinary process for the employee with unpaid leave was initiated, the employee resigned on the 04th November 2016.

Table 11: Leave

The table below depicts the leave record of employees during the period under review.

Type of leave	October 16		November 16		December 16		TOTAL	
	Employees	Days	Employees	Days	Employees	Days	Employees	Days
Annual Leave	11	49	10	36.5	19	93.5	25	179
Sick Leave	9	35	3	19	1	2	11	56
Family Responsibility	0	0	3	10	1	1	4	11
Unpaid leave	1	11	0	0	0	0	1	11
Study leave	0	0	1	2	3	15	5	17
Maternity Leave	0	0	0	0	0	0	0	0
Paternity leave	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0

Absenteeism

Absenteeism rate is benchmarked at a 4% industry average. A total of 78 unplanned person-days were lost during the quarter resulting in above average absenteeism rate of 3.90%. This is attributed to temporary incapacity leave during October. One employee was granted sick leave for a period of 30 days.

Table 12: Absenteeism

October 2016												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	UL	Total Man-days lost	Total Staff Complement	Absentee %
11	49	9	35	0	0	0	0	1	11	46	30	7.08%
November 2016												



#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	UL	Total Man-days lost	Total Staff Complement	Absentee %
10	36.5	3	19	3	10	1	2	0	0	29	32	4.18%
December 2016												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	SUS	Total Man-days lost	Total Staff Complement	Absentee %
19	93.5	1	2	1	1	3	15	0	0	3	32	0.43%
Total												
25	179	11	56	4	11	5	17	1	11	78	32	3.90%

Legend:

Formula: Absenteeism% = Man-days lost /Product of Average No of workdays for the period by staff complement X 100. Whereas Average No. of workdays = 21.67 days per month. Man days lost = Unplanned absences related to ill health and family responsibility.

- #Empl: No. of employees
- AL: Annual leave
- SL1: Sick leave
- FRL: Family Responsibility leave
- SL2: Study leave
- UL: Unpaid leave
- N/A: Not Applicable

