



## **2<sup>nd</sup> QUARTER PERFORMANCE INFORMATION FOR THE FINANCIAL YEAR 2016/17**

Second Quarter 2016/17: 01 July – 30 September 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
CEO	Chief Executive Officer
CGICTPF	Corporate Governance of Information and Communications Technology Policy Framework
CHE	Council of Higher Education
Council	CBE Council
CPD	Continuous Professional Development
DoD	Department of Defence
DPW	Department of Public Works
DPSA	Department of Public Service and Administration
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
Minister	Minister of Public Works
MISA	Municipal Infrastructural Support Agency
MoA	Memorandum of Agreement
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NPO	Non-Profit Organization
OCPO	Office of the Chief Procurement Officer
OSD	Occupation Specific Dispensation
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Co-ordinating Committee
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
TSC	Transformation Steering Committee
UoT	University of Technology



WIL	Work Integrated Learning
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### 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



## 2. APPROVAL

This Quarterly Report was approved by:



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P. Mdlalose (Ms)

**Acting Chief Executive Officer**

**31/10/2016**

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**Date**



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



### 3. EXECUTIVE SUMMARY

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

The CBE implements its Annual Performance Plan (APP) through four programmes; 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 six Built Environment Professional Councils (BEPCs).

The 2016/17 APP had 24 quarterly targets set for the second quarter, sixteen (67%) were achieved, one (4%) was partially achieved, and seven (29%) were not achieved. The general reasons noted for the non-achievement of targets can be attributed to:

- a) Insufficient budgets/funds (Information Technology [IT] Infrastructure project). The budget was for normal maintenance and commitments in the ICT environment. However, we underestimated the IT failure rate at CBE, with long periods of downtime, which requires major infrastructure upgrade that is exceeding the available budget,
- b) Delays in the appointment of mentors. The appointment of mentors was delayed by the SCM requirement that the CBE needed to go out on an open bid as per National Treasury's specifications. The bidding processes that the CBE complied to, was not planned for and therefore caused a delay, and
- c) External dependency on stakeholders. Although there was commitments from the stakeholder, formalising partnerships required the involvement of legal departments from both sides, signatures from different levels of authorities which as a result delayed the process.

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

	Number of quarterly targets	Achieved	Partially Achieved	Not Achieved
Quarter 2	24	16 (67%)	1 (4%)	7 (29%)
Programme 1	6	2	0	4
Programme 2	7	5	0	2

<b>Programme 3</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Programme 4</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>

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 MoA was developed. In line with the project, CBE presented the framework to the SACAP Education Committee as well the Heads of Department for the Architectural professions at a meeting held at the University of Free State. The aim of the presentation was to introduce the framework and to pave way for its implementation in the future.
- During the quarter, the first draft of CBE’s IT strategy plan was not finalised.
- A full verification of all account balances and transactions was performed during the mid-year financial statement preparation. The annual financial statements were submitted to Ngubane &Co to perform the financial discipline and prior year audit follow up.
- Action plans were developed and implemented to ensure that no irregular expenditure incurred.

**Programme 2 - Skills for Infrastructure Delivery**

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

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

- The first draft Project Plan for the production and development of three high demand Built Environment Professions (BEPs) skills, identified for Strategic Infrastructure Projects (SIPs), was developed. CBE delivered a presentation at the Geomatics Indaba on 12-14 September 2016 to all key stakeholders viz. the South African Geomatics Council (SAGC), the Geo-Information Society of



South Africa (GISSA), the South African Geomatics Institute (SAGI), and the Institute of Mine Surveyors of Southern Africa (IMSSA).

- 29 Interns completed their Work Integrated Learning (WIL), thus qualifying to graduate for a National Diploma. 15 Interns graduated at Cape University of Technology (CUT) in September 2016, while the remainder will graduate in March 2017.
- CBE participated in accreditation visits undertaken by SACAP and ECSA during the quarter.
- CBE established a Transformation Steering Committee (TSC) during the reporting period, and its first meeting was held on 27 September 2016.

### **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 highlights of this Programme were the following:

- During the quarter, a meeting was held with the Eastern Cape Department of Public Works to address issues relating to the professional registration of the Department's officials. In addition to this, engagements were held with the Department of Public Works (DPW) provincial departments in 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 Occupation Specific Dispensation (OSD).
- The first draft advisory report on the implementation of the OSD by DPW National and provincial departments was developed.

### **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 in terms of the law regulating the BEPs, and to promote sound governance of BEPs.

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

- The Public Finance Management Act (PFMA) and Corporate Governance compliance assessments done in the first quarter were interrogated further and supporting documents were sourced from the BEPCs.
- A workshop, to facilitate the alignment of the BEPCs policies, was conducted successfully. Effectively, it meant that all 13 policy frameworks were work-shopped with BEPCs.
- Engagements with the BEPCs on the Competition Commission's (CC's) decision on the Identification of Work (IDOW) exemption applications continued. CBE published a press release as an update on the process and its commitment to statutory mandates.

- All of the six BEPCs complied with the statutory requirements of submitting their Annual Reports to Parliament on 30 September 2016.

## 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 %
<b>Revenue</b>	1	22,612,105	23,387,411	(775,306)	-3
	2	0	0	0	0.0
	3	0	0	0	0.0
	4	0	0	0	0.0
<b>Total revenue</b>		<b>22,612,105</b>	<b>23,387,411</b>	<b>(775,306)</b>	<b>-3</b>
<b>Expenditure</b>	1	17,264,463	19,574,510	2,310,047	12
	2	3,612,210	2,635,944	(976,266)	-37
	3	307,453	919,500	612,047	67
	4	169,998	272,500	102,502	38
<b>Total expenditure</b>		<b>21,354,124</b>	<b>23,402,454</b>	<b>2,048,330</b>	<b>9</b>

### Revenue

The revenue consists mainly of the Parliamentary Grant funding received from DPW, was received as budgeted. The unfavourable variance of 3% is due to an under-collection of interest received, due to a delay in the re-opening of the investment account. There was also an under-collection of the levies from the six BEPCs.

### Expenditure

The variances on expenditure were as follows:

**Programme 1:** There was a favourable variance of 12% due to cost saving strategies implemented, as well



as a delay in the advertisement and appointment of some vacant positions.

**Programme 2:** There was an unfavourable variance of R976 266, which was accounted for as follows:

- R2 213 698 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 an under expenditure of R524 241.
- The current higher education unrest resulted in the accreditation visits not conducted as scheduled.

**Programme 3:** There was a favourable variance of R612 047 (67%). This under-expenditure of R300 000 in consulting fees was due to the inability of the new procurement process to appoint Project Experts, and R295 000 for conferences and workshops. The expenditure was budgeted for in the incorrect period.

**Programme 4:** There was a favourable variance of R102 502 (38%), due to under-expenditure in consulting fees amounting to R102 504. The reason for the under-expenditure is that no appeals were received in the quarter under review.



**PART B**  
**GOVERNANCE**



## 4. INTRODUCTION

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

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

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

### 4.1 EXECUTIVE AUTHORITY

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

### 4.2 THE ACCOUNTING AUTHORITY

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

- a. advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;
- b. facilitate inter-ministerial co-operation concerning issues relating to the built environment;
- c. provide advice and consultation on national policy that could impact on the built environment, human resource development in relation to the built environment professions and the recognition of new professions;
- d. comment, if necessary, on all proposed legislation impacting on health and safety in the built environment;
- e. advise the Councils for the Professions on matters of national importance where the needs of the State, as communicated to the Council through the relevant Minister, require joint and coordinated action by the built environment professions;



- f. ensure the consistent application of policy by the Councils for the Professions with regards to: accreditation, registration, competence testing of registered persons, codes of conduct for the professions, principles for determination of fees in accordance with any legislation relating to the promotion of competition, and standards of health, safety and environmental protection within the built environment; and
- g. to act as an appeal body with regards to matters referred to it in terms of law regulating the built environment professions.

The CBE is mandated to effect policy coordination and to ensure the consistent application of policy within the BE, promote the participation of BEPs in integrated development within the context of national goals, and act as the conduit for communication between Government and the BEPs.

#### 4.3 COMPOSITION OF THE COUNCIL

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

- a. One representative from the department (DPW);
- b. Not more than three persons nominated by state departments within whose functional areas the professions are also practised;
- c. Two representatives nominated by each Council for the Professions; and
- d. Not more than four persons nominated by the public.

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

**Table 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 PFMA.

#### Other Committees

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

#### Executive Committee (EXCO)

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



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

EXCO held one regular meeting during the quarter on 28 July 2016. The following matters were considered:

- The First Quarterly Report, as considered by the ARC,
- An update on the audit process by the Auditor-General of South Africa (AGSA),
- Feedback on Stakeholder Management,
- Progress on the IDoW process and response to the CC decision ,
- An update on the CEO's disciplinary process and costs, and
- Updates on standing items viz. the Strategic Risk Register, IT Governance and Legal Compliance.

EXCO approved the First Quarterly Report for submission. The other matters were noted.

### **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 <sup>st</sup> Term) 6 December 2014 (2 <sup>nd</sup> Term)	
M Mothipe	External Member		8 February 2013 (1 <sup>st</sup> Term)6 December 2014 (2 <sup>nd</sup> Term)	
F Docrat	External member		6 December 2014 (1 <sup>st</sup> 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 27 July 2016) and one special meeting (on 29 August 2016) during the quarter. The regular meeting of 27 July 2016 considered the following matters:

- The AGSA draft Management letter and Audit Report
- The First Quarter Report
- Legal Compliance Report
- Fraud Management Report

The AGSA draft Management letter and Audit report were noted and recommended to Council. ARC acknowledged the unqualified report and commended management on the improvement and the Finance



Department for performing well under pressure. A number of items were deferred to a special ARC meeting.

The special ARC meeting of 29 August 2016 focussed on:

- The IT Governance Report
- The Strategic Risk Matrix
- The Operational Risk Matrix
- The Internal Audit Findings Matrix
- Matrix of the previous AG Audit Findings
- ARC Performance assessment
- ARC Charter Review

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



## **B. Human Resources**

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

## **C. Legal**

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

One meeting of the FHLC took place during the quarter under review on 20 July 2016. The meeting, *inter alia* considered new Travel and Asset Management Policies and a revised SCM Policy. The following items were also dealt with:

- First Quarter Expenditure Report
- Strategic and Operational Risk reports
- IT Governance
- Acting appointment of the CEO position
- 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 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 13 July 2016. The meeting, *inter alia*, considered the following:

- Feedback on the Transformation Model.
- A combined report on the overall performance during the First Quarter.
- A report on Corporate Governance and PFMA compliance by BEPCs.



- BEPC governance matters.

The committee noted the overall first quarter performance and the other reports submitted. BEPC governance matters and their referral to Council were noted. BEPC would submit a report on its activities to the next Council meeting.

### Meetings of Council and Committees

A special Council meeting was held on 29 August 2016 to consider the following matters:

- Approval of the 2015/16 Annual Report
- Approval of the first draft of the 2017/18 Annual Performance Plan
- Approval of payment of outstanding fees to Gildenhuis Malatji Incorporated
- The ruling and recommendations in the CEO's disciplinary hearing, as well as the way forward
- Governance matters emanating from BEPCs

Council approved the Annual Report and first draft of the APP. Council noted the need to further engage on the APP before its finalisation. The payment to Gildenhuis Malatji was approved. The ruling and recommendations in the CEO's disciplinary matter was considered during a closed session of Council.

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
EXCO	1	1	IM Nkosi (Chairperson) NF Sithole (Deputy-Chairperson) Prof KA Michell Dr ZT Mathe S Thubane (Alternate Member)
ARC	1	1	D Coovadia M Mothipe F Docrat NF Sithole JL Margolius
FHLC	1	1	Prof KA Michell (Chairperson) ND Lombard JL Margolius A Sassenberg IM Nkosi

Council Committee	Number of meetings planned	Number of meetings held	Committee membership
			RSSefotlho ZC Mvalo
BEMC	1	1	Dr ZT Mathe CA Breed EG Makongwana D Michell C Mtshisa ZC Mvalo RG Sefotlho S Thubane MM Tshangela
Council	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

### 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
AA Steyn (Resigned PY)	-	-	-	-
S Thubane	12 864.00	-	-	12 864.00
MM Tshangela	-	-	-	-
D Coovadia (Audit	56 120.00	-	4 518.26	60 638.26

Name	Remuneration	Other allowance	Other re-imbursments	Total
Committee External Member)				
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 Public Finance Management Act. During the period under review, a strategic risk workshop was planned with Council, ARC, Internal Audit and CBE Management. However, the workshop did not materialise due to a resolution taken by the Risk Committee, formed between the Executive Authority and its entities. The resolution was that entities should ensure current risks in the action plan/ risk register should be dealt with and mitigated before new risks are identified. Further to this, the current strategic risk register, with action plans, was submitted to ARC. The operational risk register was also distributed to all ARC members in September 2016. These documents will be regularly distributed to ARC members on a quarterly basis, for the monitoring of action plans.

#### 4.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT

During the quarter under review, the AGSA finalised the audit for the 2015/16 financial year. The audit covered all areas within the CBE viz. performance information, finance, supply chain, information technology and human resource. The entity received an unqualified audit report. The audit report and required documentation was submitted to National Treasury by the prescribed deadline. CBE performed a detailed analysis of the findings and implemented action plans for all findings raised. An audit matrix will be updated on a quarterly basis to monitor action plans of all findings raised.

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

shortcomings. The draft policies have been presented to FHLC for recommendation to Council.

#### **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:

- First Quarter audit of predetermined objectives; and
- Risk Management.

An audit matrix of the identified findings has been developed, updated on a quarterly basis and submitted to the Audit and Risk Committee

#### **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 the ARC Committee, EXCO and the 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. A gap analysis was performed and the outcome of the exercise communicated to management. The plan was then submitted to the ARC, with suggested changes, for approval to Council.

CBE contracted Mazars Forensic Services for the monitoring of its fraud hotline reports since April 2016. Thus far, no reports of fraud have been received.

#### **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

CBE strives to provide a healthy and conducive working environment at all times. The newly appointed Health and Safety team, inducted during the quarter, conducted the first biannual drill, in compliance with the Health and Safety Act.

Wellness articles, covering topics on corporate wellness, healthy lifestyle and topical medical conditions were circulated on a monthly basis.

#### 4.12 TRAINING AND DEVELOPMENT

CBE recognises the return on investment realised from staff development. The target for the quarter was to update the annual training plan. Due to allocation cuts, only bursaries and professional memberships were prioritised. The enrolled employees attended block studies and undertook exams accordingly.

#### 4.13 SUPPLY CHAIN MANAGEMENT

The table below indicates the total procurement spend on historically disadvantaged individuals (HDIs) share as 66%. White males account for 8%, while 26% of the spend is attributable to state owned entities. CBE will continuously endeavour to increase its HDI percentage.

**Table 7: Procurement for the Second Quarter**

Procurement Details	Procurement for the Second Quarter					
	Procurement		Contractual Amount		Totals	Procurement distribution
	R'	%	R'	%	R'	%
HDI	505 811.78	57	3 400 001.48	68	3 905 813.26	66
Woman	392 237.12	44	1 930 175.61	38	2 322 412.73	39
Black Male	113 574.66	13	1 469 825.87	29	1 583 400.53	27

<b>White Male</b>	379 657.64	43	101 173.12	2	480 830.76	8
<b>State owned entities</b>	3 395.00	0.4	1 524 000.00	30	1 527 395.00	26
<b>Totals</b>	<b>888 864.42</b>	<b>100</b>	<b>5 025 174.60</b>	<b>100</b>	<b>5 914 039.02</b>	<b>100</b>

On actual procurement spend, which excludes long-standing contracts, HDIs are sharing 57%, which is mainly attributable to women. State owned entities account for 0.4% and 43% is attributable to white males.



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



## 5. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

CBE implemented its 2016/17 second 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, three targets were achieved, while three were not achieved. The targets for the second quarter performed as follows:



*5.1.1 First draft of the MoA with amendments developed in consultation with the six BEPCs - **Not 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, a workshop was held with the BEPCs to further engagements started in the last quarter of the previous financial year. A consensus was reached with BEPC representatives on allocating champions to some of the four areas as follows:

- Sustainability - SACAP,
- Labour Intensive - ECSA, and
- Health and Safety - SACPCMP.

One of the key recommendations of the workshop was that a baseline study be conducted to establish the extent to which some of the knowledge areas have been incorporated in the BE curriculum by the BEPCs and tertiary institutions. CBE was tasked with developing the terms of reference for the baseline study, which were approved and advertised during the second quarter. Upon the appointment of the expert, a team comprising the BEPC representatives will provide guidance on the development of the baseline study. As part of the project, the CBE presented the framework to the SACAP Education Committee and Heads of Department for the Architectural Professions at a meeting held at the University of Free State. The aim of the presentation was to introduce the framework and to pave way for its implementation. The presentation was well received, and related issues impacting on the academic environment were raised, which are to be considered in the implementation of the framework.

Also linked to this project, is CBE's participation in the Steering Committee for the review of human settlements planning and design guidelines (commonly known as Red Book), upon invitation by the Department of Human Settlements. During the discussions, it emerged that the guidelines must form part of the education and training of BEPs, being responsible for infrastructure delivery. CBE has scheduled further engagements with the Department during the first week of October, which will focus on including the guidelines as one of the knowledge areas to be incorporated in the BE curriculum. The draft MoA was developed during the quarter, and will be discussed with the BEPCs during the fourth quarter.

### *5.1.2 Submission of the implementation plan to Council for approval – **Not achieved.***

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

Based on the recommendations of the capacity review report, the second quarter target was to develop and submit an implementation plan to Council for approval. This was not achieved and will be delivered in the third quarter, during the Council meeting of November 2016.

During the quarter, workshops relating to capacity were held with staff and management, where it emerged that the current structure is largely appropriate to support the achievement of the CBE's objectives. There were, however, other inhibitors identified. The recommendations were on minor reshufflings of responsibilities within two departments, filling vacant positions and entrenching a culture of engagement and performance management. The key starting points were identified as follows:

- Conducting a skills audit and implementation of business processes;
- Standard operation procedures; and
- Performance management and development.

The final evaluation of revised job profiles is expected by the end of the year.

### *5.1.3 First draft of the CBE IT strategy plan – **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. Information Communications Technology (ICT) Governance focuses on the following:

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

The Public Service Act and Regulations places the responsibility for governance and management of electronic government 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 target was not achieved. The first draft of the CBE IT strategy plan will be developed on the 04 November 2016.

#### *5.1.4 New network cables installed - **Not achieved.***

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

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

The second quarter target was not achieved, due to the unavailability of funds. The budgeted for normal maintenance and commitments in the ICT environment. However, we underestimated the IT failure rate at CBE, with long periods of downtime, which requires an infrastructure upgrade that wasn't planned for and budgeted for. However, CBE issued a request for proposals for a Wireless Local Area Network (WLAN) on 29 August 2016.

#### *5.1.5 Resolved prior year's irregular expenditure by 100% - **Achieved.***

The aim of this project is to ensure full compliance with the PFMA and National Treasury Regulations. The second quarter target was to resolve the prior year's irregular expenditure by 100%.

During the quarter, action plans were developed and implemented to ensure that no irregular expenditure incurred. A meeting was held with National Treasury and the required approval for condonation of the previous incurred expenditure is under way. The root causes 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.



The Finance Department is currently investigating the possibility of cancelling these contracts, and is awaiting the awarding 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. Resolved prior year's audit findings by 100% - **Achieved.***

The aim of this project is to implement sound financial management and internal controls and to achieve a clean audit.

During the quarter, a full verification of all account balances and transactions was performed during the mid-year financial statement preparation. The annual financial statements were submitted to Ngubane & Co to perform the financial discipline and prior year audit follow up. The audit is currently still underway; therefore, no audit outcome has yet been achieved.



## 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 seven quarterly targets. Out of these, five were achieved, while two were not achieved. The targets for the second quarter performed as follows:

### *5.2.1 Report on the consultations with BEPCs relating to Land and Engineering Surveyors and Geographic Information Systems (GIS) professionals on the project plan - **Achieved.***

The draft project plan for the production and development of two high demand BEPs skills categories was successfully completed. Feedback from stakeholders was positive as they accepted the 21 SIPs Steps as a way of increasing the number of identified professionals. CBE presented at the Geomatics Indaba on 12-14 September 2016 to key stakeholders viz. the South African Geomatics Council (SAGC), the Geo-Information Society of South Africa (GISSA), the South African Geomatics Institute (SAGI), and the Institute of Mine Surveyors of Southern Africa (IMSSA). The report on consultation with Land and Engineering Surveyors and GIS professionals was developed and approved by the CEO.

### *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 partnership with a credible service provider who has a record of delivering improved Maths and Science results in rural areas. The target was achieved. The progress report was developed and approved by the CEO.

### *5.2.3 Mentoring of the first batch of 25 candidates/BE graduates and 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. During the second quarter, CBE identified a substantial number of candidates



for this programme. However, delays due to budget cuts and SCM processes in the appointment of mentors account for the non-achievement of the quarterly target. The appointment of mentors was delayed by the SCM requirement that the CBE needed to go out on an open bid. The bidding processes that the CBE complied to, was not planned for and caused a delay.

The terms of reference and advertisement was developed. The evaluation process is complete and 117 verified and registered mentors are confirmed for all nine provinces.

Although the delays experienced resulted in no mentorship activities yet undertaken for the 2016/17 financial year, substantial groundwork has been covered to ensure a more streamlined process in future, i.e. a database has been established that will be functional for the next three years.

**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, due to delays experienced in procuring the services of mentors. Although the delays experienced resulted in no mentorship activities yet undertaken for the 2016/17 financial year, substantial groundwork has been covered to ensure a more streamlined process in future, i.e. a database has been established and will be functional for the next three years. The mentoring will take place in the third quarter.

**5.2.5 Mentoring of the first batch of 50 interns – *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.

For the second quarter, the CBE mentored 50 interns in the WIL programme. This target was exceeded, as 52 interns placed and mentored in the WIL programme.

There were some deviations from the project plan. Initially, it was envisaged that professionally registered mentors for the BEPCs would conduct the mentoring. Unfortunately, due to the delays experienced in appointing mentors to be on the CBE database, the project team stepped up to conduct the mentoring of the 52 interns in their monitoring and evaluation visits.

The analysis is as follows:

**Table 8: Mentored interns per field of study**

Field of Study	Number
Electrical Engineering – Heavy current	22
Electrical Engineering - Light current	5
Construction Management	19



Architectural Technology	6
<b>TOTAL</b>	<b>52</b>

The highlight of the project is that 29 interns completed their WIL, thus qualifying them to graduate for a National Diploma. 15 Interns graduated at CUT in September 2016, while the remainder will graduate in March 2017.

#### 5.2.6 First oversight report on accreditation of the academic institutions by BEPCs - **Achieved.**

This project ensures that the professional councils adhere to an equitable and fair accreditation process of tertiary institutions with readily accessible documented procedures, to be followed without fear or favour. The accreditation compliance process must be unencumbered and easily accessible for all future and currently Council of Higher Education (CHE) registered tertiary institutions, based on comparable legislative requirements within the existing learning programmes.

The target was achieved. The oversight report on accreditation of the academic institutions by BEPCs was developed and approved by the CEO. All of the six BEPCs confirmed and submitted their 2016/17 academic year accreditation schedules to the various universities. SACAP completed three full accreditation visits to the Cape Peninsula University of Technology (CPUT), University of Cape Town (UCT) and Witwatersrand University (Wits), which included an International Observer Panel from the Commonwealth Architectural Association (CAA). Furthermore, a delegation from the Canberra Accord visited SACAP and joined the Validation panel at Wits. ECSA completed a full accreditation visit to the University of Johannesburg (UJ), but was forced to postpone a follow-up accreditation visit to Walter Sisulu University of Technology (WSU) in the Eastern Cape until November 2016, due to university student unrest.

**Table 9: Accreditation Visits**

BEPC	Tertiary Institution	Qualification	Accreditation outcome
ECSA	University of Johannesburg	N.Dip. Civil Eng. B.Tech Civil Eng; B.Tech Industrial Eng; N.Dip. Mech. Eng; B.Tech. Chem. Eng; N.Dip and B. Tech Electrical Eng.	Conditional accreditation
		N. Dip. and B.Tech Metallurgy Eng; N. Dip. Industrial Eng;	Full Accreditation



		B. Tech. Mech. Eng; N. Dip. Chem. Eng.; N. Dip and B. Tech Mining Eng.	
SACAP	University of Cape Town	B. Arch Studies (BAS); B. Arch Studies (Honours) BAS (Hons) and M. Arch (Professional) M. Arch (Prof)	Full Accreditation
	University of the Witwatersrand	B. Arch Studies (BAS); B. Arch Studies (Honours) BAS (Hons) and M. Arch (Professional); M. Arch (Prof)	Full Accreditation

#### 5.2.7 An established Transformation Steering Committee – **Achieved.**

For the second quarter target, CBE aimed at establishing a Transformation Steering Committee (TSC). This target was achieved successfully with the TSC convening for the first time on 27 September 2016. The purpose of this meeting was to discuss the results of the baseline study and situational analysis as well as to discuss potential collaborations and similar current activities.

The TSC is well represented by high-level stakeholders from key departments and organisations. These include:

- BEPC representatives
- The Presidency – Department of Planning, Monitoring and Evaluation (DPME)
- Department of Science and Technology
- National Treasury
- Department of Higher Education and Training
- DPW

Although the latter two departments were unfortunately not able to attend the first meeting, they will be present at the next one. Additionally, the TSC also has representation from Thuthuka, the model that CBE is aiming to replicate. This specific member's participation will be drawn on heavily in emulating its specific approach towards Transformation.



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

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

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

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

It is contributing to the following outcomes of the DPW:

#### **Direct outcomes**

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

#### **Indirect outcomes**

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

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

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

The project is an initiative towards a programme to support the development of technical capacity within the public sector. The programme is informed by the CBE's research work on the 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.

The project is therefore rooted in CBE's support for public sector BEP capacity building. The significance of this project is its contribution to resourcing infrastructure departments with internal requisite technical skills to enhance quality in infrastructure delivery, and overall improvement in Government's service delivery to the communities. The project will also support the already existing capacity building initiatives by the municipalities, provincial and national departments. All the MoAs have been developed and one will be signed during the fourth quarter. A report has been developed on the various activities informing the MoAs.

CBE entered into formalised partnerships with the following institutions:

- The Defence Formation Unit within the National Department of Defence (DoD), MISA (representing municipalities) and DPW Provincial departments. The Memorandum of Agreement (MoA) with DoD has been developed and endorsed by the legal departments of both parties. The signing of the MoA was delayed due to ensuring DPW endorses the partnership, in order to eliminate any unintended consequences. A meeting with DoD and DPW is scheduled for the first week of October. Whilst awaiting the official signatures, the CBE continuously provides support and advice to the DoD on the capacitation of the Defence Formation Unit.
- The second MoA, with MISA, was signed during the quarter, with a draft implementation plan. The plan will be finalised during the second week of October.
- The third MoA was signed with the Eastern Cape Department of Public Works. A meeting was held during the quarter to address issues relating to the professional registration of the Department's officials.

In addition to this, 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. Formal partnerships are also underway with these departments to ensure ongoing support and advice.

### *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) in order to support improved delivery of infrastructure and asset management, whilst promoting the IDMS amongst BEPs. The partnership with the OCPO is 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 issues impacting on the BEPs. The partnership seeks to facilitate effective implementation of the IDMS to the Standards for Infrastructure Procurement and Delivery Management (SIPDM) and forms part of the CBE's response to strengthening the technical capacity of both the public and private sector for infrastructure delivery. The DPW has a mandate to oversee the delivery of infrastructure and asset management of the country; 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. During the quarter the MoA (including an implementation plan), was signed between CBE and the OCPO. A steering committee meeting was held during the quarter to discuss the progress on the implementation plan and the way forward. A progress report has been developed.

The implementation of the IDMS and SIPDM formed part of the engagements with the DPW Provincial Departments. As an item of the implementation plan, CBE hosted a BE stakeholder workshop during the quarter, aimed at creating more awareness on the SIPDM and its impact on BEPs. The report of the workshop will be finalised during the second month of the third quarter. A report on the various activities of the implementation plan has been developed.

### *5.3.3 First 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 in the previous 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 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 ensure its effectiveness and sustainability in attracting and retaining BE skills in the public sector.

The target was achieved. A report has been developed. During the quarter, CBE held a meeting between the DPSA, and National and Provincial DPW offices on challenges in implementing the OSD. Other engagements on the OSD were held with Eskom (Human Resources Department) to understand their attraction and retention plan for BEPs.

### *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 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. The document has been reviewed by the respective legal departments. A date for the signing of the MoA will be set, once DPW's input has been received and incorporated.

## 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 BEPs, and to promote sound governance of BEPs.

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

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

It contributes to the following outcomes:

### Indirect outcomes

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

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

No appeals were due for decision during the second quarter. A review of the CBE's Appeal Policy was completed and will be proposed for approval during the third quarter.

#### 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 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. As a way forward, together with the BEPCs, attempts were made to engage the CC on an amicable resolution, with litigation as an alternative. Either option will be exercised during the third quarter. A media statement published in September 2016 in a Sunday newspaper, explaining the status of the IDoW and the mandates of the CBE and BEPCs. 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 second quarter action taken by the CBE entailed the further monitoring of the corporate governance compliance of the six BEPCs. This was done by requiring set information from the*

*BEPCs* .The progress made by the six BEPCs in complying with the Corporate Governance Framework was monitored during the first quarter. The CBE focused on assessing the charters, terms of reference and policies supporting compliance and on determining the compliance challenges experienced. The compliance monitoring will be continued and expanded during the third quarter in pursuance of the annual target. The required report was compiled.

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

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

The target was achieved. All six BEPCs were invited to the workshop and written input was requested from the BEPCs (three) not able to attend the workshop. The required workshop was held to discuss the three remaining policy frameworks, which are:

- a. Recognition of Voluntary Associations
- b. Continuous Professional Development
- c. Recognition of Prior Learning

The purpose of the workshop was to have a common understanding of the content of the frameworks and terminology used, in order to facilitate the alignment of the BEPCs' policies with the policy frameworks. The purpose of the workshop was achieved through attendance and participation and written input received.

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

The target was achieved. The compliance of the six BEPCs with the provisions of the PFMA, as reflected in the PFMA roadmap, was assessed and reported. The findings and report will be utilised to identify interventions to enhance compliance. The assessment focused on three main areas of the PFMA, i.e (1) Corporate Management (2) Working Capital and (3) Financial Arrangements. The information received can be indicative of a lack of understanding of certain provisions of the PFMA. The findings and report will be utilised to identify interventions to enhance compliance. The assessment will continue and be expanded during the next quarter in pursuance of the annual target.

#### *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 18 August 2016. CBE met with SACLAP and SACAP during the quarter under review to discuss the alignment of their Strategic Plans with that of CBE and DPW. CBE has received SACAP's draft Strategic Plan. SACLAP started their alignment, and will submit their Strategic Plan by the end of the third quarter. CBE has also planned a road show to the remaining BEPCs, in order to assist with the drafting of their Strategic Plans.

#### ***5.4.7 Consultation with three BEPCs on the implementation of the Monitoring and Evaluation Framework – 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 quarter's target, as per the APP, was achieved. All of the six BEPCs were consulted at the Registrars Forum of 18 August 2016. They were also provided with the Annual Report template and submission deadlines. On 26 August 2016, CBE requested all of the six BEPCs to submit hard copies of their draft Annual Reports, conforming to National Treasury's reporting requirements. These were duly submitted to CBE, who further submitted them to DPW for approval. CBE submitted the six BEPCs printed Annual Reports to Parliament by 30 September 2016. BEPCs continue to submit their quarterly reports, as per the agreed time frames and template.

The adoption and implementation process is a very ambitious undertaking – very it is wide in scope and in the volume of information that must be analysed. The implementation will be undertaken through the MTSF period. It is not going to be a one year process. Agreements will be reached with each professional council, until total alignment and compliance with the National Treasury Framework over the Medium Term, is achieved.

## 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 Targets and Actuals								
					Quarterly Performance Target Q2	Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly Budget	Actual Expenditure	% Variance	Corrective Action in case of poor spending	
						R'000			R'000				



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly Budget			
									R'000			
1.1A 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	First draft of the MoA with amendments developed in consultation with the six BEPCs.	<b>Not achieved.</b>	One of the key recommendations of the workshop was that a baseline study be conducted to establish the extent to which some of the knowledge areas have been incorporated in the BE curriculum by the BEPCs and tertiary institutions.		21	22		



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly Budget			
1.2			Job profiling of all positions and a skills development report, finalised and submitted to Council for approval by 31 March 2017.	250	Submission of the implementation plan to Council for approval.	<b>Not achieved.</b>	Meeting held in the second quarter.	The report will be submitted in the third quarter.				None
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.	First draft of the CBE IT strategy plan.	<b>Achieved.</b>	N/A	N/A	0	0	0	N/A
1.4			Upgraded server infrastructure.	Not allocated due to unavailability of funds.	New network cables installed.	<b>Not achieved.</b>	Deviation from the quarterly target is due to unavailability of funds.	Request for retention of R3 753 million surplus funds.	0	0	0	N/A
1.5		Reduced irregular expenditure baseline.	Zero irregular expenditure.	0	Resolved prior year's irregular expenditure by 100%.	<b>Achieved.</b>	N/A	N/A	0	0	0	N/A



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly Budget			
									R'000			
1.6		Clean audit report.	Unqualified audit report for 2016/17.	0	Resolved prior year's audit findings by 100%	<b>Achieved.</b>	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 Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
2.1 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	Report on the consultation with BEPCs relating to Land and Engineering Surveyors and Geographic Information Systems (GIS) professions on the project plan.	Achieved.	N/A	N/A	160		98	Procuring of POE was delayed.



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
2.2 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 the Maths and Science support programme.	<b>Achieved.</b>	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.		Mentoring of the first batch of 25 candidates/BE graduates.  25 candidates /BE graduates placed in the structured candidacy programme	<b>Not achieved.</b>						
			Monitoring and Evaluation Report of the 100 candidates placed in the 2014/15 and 2015/16 financial years.		Report on the mentorship of the 50 candidates place in the 2014/15 and 2015/16 financial years.	<b>Not achieved.</b>						



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
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 first batch of 50 interns.	<b>Achieved.</b>	N/A	N/A				
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	First oversight report on accreditation of the academic institutions by BEPCs.	<b>Achieved.</b>	N/A	N/A	240	62	74	The under expenditure is due to the unrest at universities, leading to the cancellation of various BEPC accreditation visits.
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	An established Transformation Steering Committee.	<b>Achieved.</b>	N/A	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 Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
3.1 An optimally functioning BE with a responsive and relevant policy and legislative framework based on informed and researched positions.	To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.	Number of initiatives on BE professionals employed at municipal, provincial and national departments by 31 March 2017.	Three partnership projects to support BE technical capacity within municipal, provincial, national and Departments completed by 31 March 2017.	815	Progress report on the activities in the implementation plans.	<b>Partially achieved.</b>	The signing of the MoA was delayed due to ensuring that DPW endorses the partnership, in order to eliminate any unintended consequences.	The meeting with DoD and DPW is scheduled for the first week of October. Whilst awaiting the official signatures, the CBE continuously provides support and advice to DoD on the capacitation of the Defence Formation Unit.				



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
3.2An 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	<b>Achieved.</b>	N/A	N/A	0	None		
3.3An 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	First draft advisory report on the implementation of the OSD by DPW National and provincial departments.	<b>Achieved.</b>	N/A	N/A	0	0	0	



Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
3.4An 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 plans	<b>Not achieved.</b>	Partnership established with DPW EPWP and project scope sent for input.	0	0	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
					Q2	Q2			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.	<b>Achieved.</b>	N/A	N/A	0	0	0	N/A
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 Competition Commission and the BE professional bodies, by 31 march 2017.	3	A report on engagement with BE professional bodies on the IDOW exemption applications.	<b>Achieved.</b>	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 Q2	Actual Q2	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		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.	<b>Achieved.</b>	N/A	N/A	0	0	0	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 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.	<b>Achieved.</b>	N/A	N/A	0	0	0	N/A
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.	<b>Achieved.</b>	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 Q2	Actual Q2	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	R'000	R'000	R'000			
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.	50	Consultation with three BEPCs on the development of their Strategic Plans, APPs and Annual Report.	<b>Achieved.</b>	N/A	N/A	0	0	0	N/A
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.	90	Consultation with three BEPCs on the implementation of the Monitoring and Evaluation Framework	<b>Achieved.</b>	N/A	N/A	0	0	0	N/A



**PART D  
EXPENDITURE REPORT**



**COUNCIL FOR THE BUILT ENVIRONMENT**

<u>Account</u>	<u>Quarter2</u>				<u>YTD</u>			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var%</u>	<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance YTD</u>	<u>Var% YTD</u>
<b>Other Income</b>								
1000(Levies SACAP)	-	247,414.00	247,414.00	100.00	-	247,414.00	247,414.00	100.00
1000(Levies ECSA)	465,087.00	645,712.50	180,625.50	27.97	843,087.00	645,712.50	- 197,374.50	30.57
1000(Levies SACPVP)	-	34,643.50	34,643.50	100.00	21.00	34,643.50	34,622.50	- 99.94
1000(Levies SACPCMP)	35,574.00	72,230.00	36,656.00	50.75	59,367.00	72,230.00	12,863.00	- 17.81
2500(Grant Income)	-	-	-	-	21,706,500.00	21,706,500.00	-	-
2751(Interest received-Investment)	-	510,683.40	510,683.40	100.00	-	680,911.20	680,911.20	- 100.00
2800(Profit on sale of assets)	3,130.00	-	- 3,130.00	-	3,130.00	-	- 3,130.00	-
<b>Total Other Income</b>	<b>503,791.00</b>	<b>1,510,683.40</b>	<b>1,006,892.40</b>	<b>66.65</b>	<b>22,612,105.00</b>	<b>23,387,411.20</b>	<b>775,306.20</b>	<b>3.32</b>
<b>Other Expense</b>								
3025(Audit Fees)	1,001,797.77	671,131.00	- 330,666.77	- 49.27	1,257,910.87	1,521,010.00	263,099.13	17.30
3050(Advertising and Promotions)	69,001.60	190,000.00	120,998.40	63.68	69,001.60	279,000.00	209,998.40	75.27
3055(Forums)	73,534.00	-	- 73,534.00	-	73,534.00	-	- 73,534.00	-
3110(CBE Awareness and Publicity)	-	-	-	-	15,000.00	3,000.00	- 12,000.00	- 400.00
3115(CBE Events)	-	350,000.00	350,000.00	100.00	-	520,000.00	520,000.00	100.00
3200(Bank Charges)	6,259.07	7,776.00	1,516.93	19.51	20,837.94	15,552.00	- 5,285.94	- 33.99
3220(Council Honorarium-Council meeting)	139,942.39	176,734.00	36,791.61	20.82	306,686.89	387,630.00	80,943.11	20.88



3222(Council Honorariums-Other meeting)	-	61,955.00	61,955.00	100.00	-	82,780.00	82,780.00	100.00
3225(Catering)	22,556.35	77,250.00	54,693.65	70.80	53,948.16	120,575.00	66,626.84	55.26
3230(Consulting fees)	1,188,144.81	2,183,150.00	995,005.19	45.58	1,946,574.48	2,803,098.00	856,523.52	30.56
3233(Mentors)	1,125,000.00	420,000.00	- 705,000.00	- 167.86	2,028,000.00	840,000.00	-1,188,000.00	- 141.43
3260(Communications)	83,379.44	105,000.00	21,620.56	20.59	142,233.82	210,000.00	67,766.18	32.27
3300(Computer expenses)	73,177.20	220,000.00	146,822.80	66.74	220,264.23	220,000.00	- 264.23	- 0.12
3330(Conferences and Seminars)	-	10,000.00	10,000.00	100.00	-	10,000.00	10,000.00	100.00
3400(Courier and Postage)	28,340.67	6,000.00	- 22,340.67	- 372.34	31,126.02	13,000.00	- 18,126.02	- 139.43
3650(Electricity and Water)	109,315.28	120,750.00	11,434.72	9.47	201,242.49	241,500.00	40,257.51	16.67
3850(Insurance)	45,781.31	87,000.00	41,218.69	47.38	110,395.27	174,000.00	63,604.73	36.55
4170(Parking and Landscaping)	137,256.60	133,097.00	- 4,159.60	- 3.13	303,629.12	257,876.00	- 45,753.12	- 17.74
4200(Printing and Stationery)	10,164.49	168,000.00	157,835.51	93.95	13,983.36	186,600.00	172,616.64	92.51
4295(Building Costs)	32,896.69	30,550.00	- 2,346.69	- 7.68	54,156.84	61,100.00	6,943.16	11.36
4300(Rent Paid)	1,077,888.54	1,045,227.00	- 32,661.54	- 3.12	2,384,420.10	2,025,126.00	- 359,294.10	- 17.74
4301(Rates and Taxes)	-	72,804.00	72,804.00	100.00	-	145,608.00	145,608.00	100.00
4350(Repairs and Maintenance)	25,260.91	3,500.00	- 21,760.91	- 621.74	30,231.25	10,700.00	- 19,531.25	- 182.54
4400(Salaries and Wages)	3,329,524.85	6,257,796.00	2,928,271.15	46.79	6,825,831.45	12,515,592.00	5,689,760.55	45.46
4420(PAYE)	1,349,078.17	58,911.00	- 1,290,167.17	- 2,190.03	2,734,611.45	129,210.00	-2,605,401.45	- 2,016.41
4430(Company contribution: Medical Aid)	202,290.00	-	- 202,290.00	-	393,797.00	-	- 393,797.00	-
4440(Company contribution-Provident fund)	682,338.62	-	- 682,338.62	-	1,343,067.65	-	-1,343,067.65	-



4445(Staff Training, Development and other)	3,692.40	-	-	3,692.40	-	21,037.40	79,600.00	58,562.60	73.57
4450(Staff Training)	7,150.00	-	-	7,150.00	-	7,150.00	13,000.00	5,850.00	45.00
4500(Staff Welfare)	13,110.58	33,900.00		20,789.42	61.33	22,360.82	77,800.00	55,439.18	71.26
4550(Subscriptions)	37,100.00	-	-	37,100.00	-	37,100.00	-	-	37,100.00
4650(Travel and accommodation)	404,277.13	552,719.00		148,441.87	26.86	647,803.60	974,317.00	326,513.40	33.51
4750(UIF)	27,717.22	-	-	27,717.22	-	58,187.84	-	-	58,187.84
4850(Publishing)	-	63,500.00		63,500.00	100.00	-	63,500.00	63,500.00	100.00
<b>Total Other Expense</b>	<b>11,305,976.09</b>	<b>13,106,750.00</b>		<b>1,800,773.91</b>	<b>13.74</b>	<b>21,354,123.65</b>	<b>23,981,174.00</b>	<b>2,627,050.35</b>	<b>10.95</b>
<b>Loss Before Tax</b>	<b>- 10,802,185.09</b>	<b>- 11,596,066.60</b>		<b>- 793,881.51</b>	<b>6.85</b>	<b>1,257,981.35</b>	<b>- 593,762.80</b>	<b>-1,851,744.15</b>	<b>311.87</b>



**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 and the Committee Secretary. Both appointments are due to be finalised in the first month of the next quarter.

The response handling for the vacant position of the Senior Researcher was concluded and applications are due for shortlisting.

### Staff Movement

The internal appointment of the Manager: Strategic Planning, Monitoring and Evaluation was concluded.

One fixed term employee tendered a resignation prematurely. His contract was due to expire in December 2016.

The Executive Authority has extended the seconded Committee Secretary's contract until September 2017.

**Table 10: Permanent Employees**

JULY 2016										
Permanent Employees										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
16	5	2	1	3	3	1	1	22	10	32
Fixed Term Employees										
0	0	0	0	0	1	0	0	0	1	1
AUGUST 2016										
Permanent Employees										



African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
16	5	2	1	3	3	1	1	22	10	32
<b>Fixed Term Employees</b>										
0	0	0	0	0	0	0	0	0	0	0
<b>SEPTEMBER 2016</b>										
<b>Permanent Employees</b>										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
16	5	2	1	3	3	1	1	22	10	32
<b>Fixed Term Employees</b>										
0	0	0	0	0	0	0	0	0	0	0

### **Staff Turnover:**

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

Divide by 2 = Total (64÷2 = 32)

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

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

**Table 11: 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
<b>African</b>	5	50.00	80.6	16	72.73	80.40	21	65.63	80.50
<b>Coloured</b>	1	10.00	8.70	1	4.55	8.90	2	6.25	8.80



<b>Indian/Asian</b>	1	10.00	2.60	2	9.09	2.40	3	9.38	2.50
<b>White</b>	3	30.00	8.20	3	13.64	8.30	6	18.75	8.30
<b>Total</b>	10	100.00		22	100.00		32	100.0	

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

### Employee Relations

The Disciplinary hearing of the CEO was concluded in June 2016. The ruling of the presiding officer was received in August 2016. Council resolved to adopt the sanction of dismissal as recommended by the presiding officer. A letter of dismissal was issued to the CEO on 29 August 2016 accordingly. The CEO has since lodged an appeal with the CCMA. A conciliation/arbitration is to be heard in October 2016.

The arbitration award favouring the two former fixed term employees was opposed. A labour court date is awaited in this regard.

One former fixed term employee whose case was dismissed filed an application for review of the CCMA outcome, in which the CBE is one of the respondents. An opposing application has been filed in this regard.

One disciplinary matter currently under investigation has not yet been concluded. The report is being reviewed and receiving attention by the Office of the Acting CEO.

### Employee Leave

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

**Table 12: Leave**

Type of leave	July 16		August 16		September 16		TOTAL	
	Employees	Days	Employees	Days	Employees	Days	Employees	Days
Annual	15	50	17	56	18	51.5	29	174.5



Sick	8	14	3	9	3	10	14	33
Family Responsibility	0	0	0	0	2	7	2	7
Unpaid	0	0	0	0	0	0	0	0
Study	1	2	0	0	3	4	4	6
Maternity	0	0	0	0	0	0	0	0
Paternity	0	0	0	0	0	0	0	0
Suspension	1	21	1	20	0	0	1	41

### Absenteeism rate

Absenteeism is benchmarked at a 4% industry average. 81 Unplanned person-days were lost during the quarter, resulting in above average absenteeism rate of 3.87%.

**Table 13: Absenteeism**

July 2016												
#Empl	AL	#Empl	SL 1	#Empl	FRL	#Empl	SL2	#Empl	SUS	Total Man-days lost	Total Staff Complement	Absentee %
15	50	8	14	0	0	1	2	1	21	35	33	4.89%
August 2016												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	SUS	Total Man-days lost	Total Staff Complement	Absentee %
17	56	3	9	0	0	0	0	1	20	29	32	4.18%
September 2016												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	SUS	Total Man-days lost	Total Staff Complement	Absentee %
18	51.5	3	10	2	7	3	4	0	0	17	31	2.53%



<b>Total for the period under review</b>												
29	174. 5	14	<b>33</b>	2	<b>7</b>	4	6	1	<b>41</b>	<b>81</b>	32	<b>3.87%</b>

**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.*

**Key:**

*#Empl: Number of employees*

*AL: Annual leave*

*SL1: Sick leave*

*FRL: Family Responsibility leave*

*SL2: Study leave*

*UL: Unpaid leave*

