



Second Quarter Performance Information for the Financial Year 2018/19

01 July – 30 September 2018

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

This quarterly report was developed by the Council for the Built Environment (CBE), under the stewardship of Chief Executive Officer.

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

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



Ms P. M. Mdlalose
Chief Executive Officer

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1. ACRONYMS AND DEFINITIONS USED IN THE REPORT

Act	The CBE Act 43 of 2000
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
BAC	Bid Adjudication Committee
BE	Built Environment
BEP/s	Built Environment Profession/s
CARINBE	Centre for Applied Research and Innovation in the Built Environment
CBE	Council for the Built Environment
CBEP	Councils for the Built Environment Professions
CC	Competition Commission
CEO	Chief Executive Officer
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CHE	Council on Higher Education
COO	Chief Operations Officer
COEGA	The Coega Development Corporation
Council	CBE Council, which is the accounting authority of the organisation
CUT	Central University of Technology
DHET	Department of Higher Education and Training
DoL	Department of Labour

DPSA	Department of Public Service Administration
DPW	Department of Public Works
E-BE	Electronic-Built Environment System
EPWP	Expanded Public Works Programme
HDI	Historically Disadvantaged Individual
HR	Human Resources
ICT	Information Communications Technology
IDMS	Infrastructure Delivery Management System
IDoW	Identification of Work
ILO	International Labour Organization
ISDG	Infrastructure Skills Development Grant
IT	Information Technology
Minister	Minister of Public Works
MISA	Municipal Infrastructure Support Agent
MoU	Memorandum of Understanding
NDP	National Development Plan
PFMA	Public Finance Management Act
SACPLAN	South African Council for Planners
SCM	Supply Chain Management
SIPDM	Standards for Infrastructure Procurement and Delivery Management
SIPs	Strategic Infrastructure Projects
UJ	University of Johannesburg

UoT	University of Technology
WIL	Work Integrated Learning

Committees of Council

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

Councils for the Built Environment Professions (CBEP)

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

CBE Programmes

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

PART A: EXECUTIVE SUMMARY

2. EXECUTIVE SUMMARY

This report presents the performance of the Council for the Built Environment (CBE) for the second quarter of the 2018/19 financial year. It constitutes six parts. Part A is the Executive Summary, which provides a synopsis of the CBE's performance, in terms of its mandate and strategic objectives as set out in its Strategic Plan. Part B provides a detailed Governance Report. Part C provides a detailed analysis of the performance of each Programme. Part D provides a detailed Financial Report for the quarter. Part E provides a Human Resource Exceptional Report for this reporting period.

The CBE implements its annual performance plan (APP) through five programmes:

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

The 2018/19 APP has 21 quarterly targets set for the second quarter. Of these, nineteen (19) 90% were achieved and two (2) 10% was not achieved.

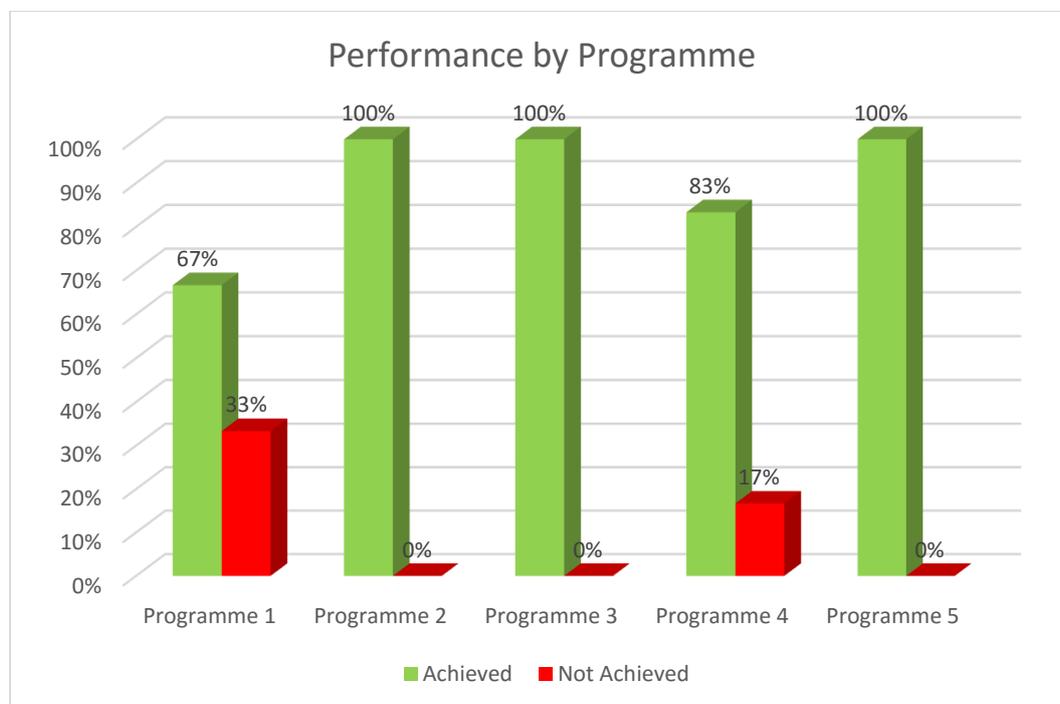
Figure 1 below illustrates the performance of the CBE from 1 July to 30 September 2018.

Figure 1: Overall Quarterly Performance



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

Figure 2: Quarterly Performance by Programmes



The reasons for the non-achievement of two targets were the following:

- **Target 1.2:** The bid was cancelled and re-advertised, but not awarded. Therefore the Business Analysis and draft specification for the E-BE System could not be performed as the service provider has not yet been appointed.
- **Target 4.6:** Five Councils for the Built Environment Professions' (CBEP) annual reports were tabled by the CBE in Parliament on 28 September 2018, except for SACAP's (the South African Council for the Architectural Profession). The SACAP has undertaken to CBE, to rectify the non-submission of their annual report to Parliament, by submitting the requisite 60 copies and one soft copy by 02 October 2018.

Table 1: Achievement status of quarterly targets

APP Programme	Number of quarterly targets	Achieved	Not Achieved
Programme 1	3	2	1
Programme 2	7	7	0
Programme 3	4	4	0
Programme 4	6	5	1
Programme 5	1	1	0
Quarter 2			
Total Targets	21	19	2

The highlights for the quarter under review were the following:

- The Data and Information Management Policy and Acceptable Use of IT Policy were implemented
- 153 Learners were registered with the COEGA Development Corporation (COEGA), Port Elizabeth in the Eastern Cape and Central University of Technology (CUT), (Bloemfontein) in the Free State to participate in the CBE Maths and Science support programme
- The CBE received a clean audit, although some minor findings were raised. Action plans have been developed for these findings, which will be monitored quarterly, through an updated matrix to all relevant structures
- The CBE held consultation meetings on the Strategic Infrastructure projects (SIPs) with the SACAP on 7 September 2018 and with the South African Council for Planners (SACPLAN) on 12 September 2018. The CBE placed 37 candidates in the workplace training programme. It is an over-achievement of the second quarter target arising from the Construction Education and Training Authority (CETA) grant awarded to the CBE
- The revised project scope for the Transformation Indaba, was presented to the Built Environment Matters Committee (BEMC), with amendments and developments

- Two engagements were held on the Structured Candidacy Framework - with the City of Ekurhuleni (27 July 2018) and Nelson Mandela Bay Municipality (19 September 2018)
- The first draft of the research report analysing the impact of the Standards for Infrastructure Procurement and Delivery Management (SIPDM) on attracting and retaining BEPs within DPW was developed, It highlighted key issues from the national and provincial DPW technical skills baseline, and those identified as critical by the CBEP
- The first draft report on health and safety was developed. It highlighted key issues from the national and provincial DPW, and from the general landscape regarding compliance with the regulations
- Two appeals, due for decision during the quarter, were decided within the prescribed 60 days
- The CBEP were consulted on 28 September 2018 through a workshop on the first draft Regulatory Framework governance oversight of CBEP
- A first draft of the implementation plan to incorporate health and safety, sustainability, labour intensive construction and the Infrastructure Delivery Management System (IDMS) into the built environment was developed

PART B: GOVERNANCE

3. INTRODUCTION

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

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

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

- a. An ethical culture
- b. Sustainable performance and value-creation
- c. Adequate and effective control by the Council
- d. Protecting and building trust in the CBE as an organisation, its reputation and legitimacy

Council agreed to an external performance assessment of its membership. The assessment is underway and is expected to be finalised by early October 2018.

3.1 EXECUTIVE AUTHORITY

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

3.2 ACCOUNTING AUTHORITY

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

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

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

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

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

3.3 COMPOSITION OF THE COUNCIL

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

- a. One representative from DPW
- b. Not more than three persons nominated by state departments within whose functional areas the professions are also practised
- c. Two representatives nominated by each CBEP. Not more than four persons nominated by the public

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

Table 2: Fourth Term of Office Council

Name	Designation (Section of the Act in terms of which appointment was made)	Date Appointed	Date Resigned	Date Term Ended
IM Nkosi (Chairperson)	Section 5(2)(c) Nominated by SACPCMP	1 August 2014	-	31 July 2018
NF Sithole (Deputy Chairperson)	Section 5(2)(d) Public representative	1 August 2014	-	31 July 2018
Adv DJ Block	Section 5(2)(d) Public representative	1 August 2014	16 February 2015	-
Dr CA Breed	Section 5(2)(c) Nominated by SACLAP	1 August 2014	-	31 July 2018
IS Kgomo	Section 5(2)(b) Representative Department of Public Enterprise	1 August 2014	31 December 2014	-
ND Lombard	Section 5(2)(c) Nominated by SACAP	1 August 2014	-	31 July 2018
N Maharaj	Section 5(2)(d) Public representative	1 August 2014	06 May 2015	-
EG Makongwana	Section 5(2)(c) Nominated by SACPVP	1 August 2014	-	31 July 2018
JL Margolius	Section 5(2)(c) Nominated by SACPVP	1 August 2014	-	31 July 2018
Dr ZT Mathe	Section 5(2)(c) Nominated by ECSA	1 August 2014	-	31 July 2018
T Matunda	Section 5(2)(c) Nominated by SACQSP	1 August 2014	11 February 2015	-
D Michell	Section 5(2)(c) Nominated by SACPCMP	1 August 2014	-	31 July 2018
Prof KA Michell	Section 5(2)(c) Nominated by SACQSP	1 August 2014	-	31 July 2018
C Mtshisa	Section 5(2)(a) Representative Department of Public Works	1 August 2014	-	31 July 2018

Name	Designation (<i>Section of the Act in terms of which appointment was made</i>)	Date Appointed	Date Resigned	Date Term Ended
ZC Mvalo	Section 5(2)(b) Representative Department of Higher Education	1 August 2014	-	31 July 2018
A Lee (Sassenberg)	Section 5(2)(c) ECSA	1 August 2014	-	31 July 2018
RG Sefotho	Section 5(2)(d) Public representative	1 August 2014	-	31 July 2018
AA Steyn	Section 5(2)(c) Nominated by SACLAP	1 August 2014	02 February 2016	-
S Thubane	Section 5(2)(c) Nominated by SACAP	1 August 2014	-	31 July 2018
MM Tshangela	Section 5(2)(c) Representative Department of Environmental Affairs	1 August 2014	-	31 July 2018

Council Committees:

Statutory Committees

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

Other Committees

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

Executive Committee

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

The EXCO held a special meeting on 26 July 2018 to consider the following matters:

- a. Approval of the 26 April 2018 EXCO minutes

- b. Conclude the EXCO Resolution Register for the Fourth Term of Office
- c. Recommended the EXCO handover report for the Fifth Term Council to Council

The EXCO held a special meeting on 31 July 2018 to conduct the CEO's performance assessment.

Audit and Risk Committee

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

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

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

Table 3: Audit and Risk Committee membership

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned
D Coovadia	External Member	-	6 December 2010 (1 st Term) 6 December 2014 (2 nd Term)	-
Ms M Mothipe	External Member	-	8 February 2013 (1 st Term) 6 December 2014 (2 nd Term)	7 August 2017
Ms P Stock	External Member	-	24 November 2017	-
F Docrat	External Member	-	6 December 2014 (1 st Term)	-
Ms NF Sithole	Council Member	-	1 August 2014	-
Ms N Maharaj	Council Member	-	1 August 2014	06 May 2015
JL Margolius	Council Member	-	Appointed by Council on 27 May 2015.	18 May 2017
Ms A Lee	Council Member	-	Appointed by Council on 26 May 2017	-

The ARC held scheduled meetings on 25 July 2018 and 30 August 2018 to consider the matters below:

- a. Deliberated on and recommended the Auditor-General South Africa (AGSA) management letter and audit report for the financial year 2017/18
- b. Deliberated on and noted the Internal Audit reports on activities during the quarter
- c. Approved the 3 year internal audit rolling and annual plan
- d. Deliberated on and noted the First Quarter Report
- e. Deliberated on and recommended the 2017/18 Annual Financial Statements and the 2017/18 Draft Annual Report to Council for approval
- f. Deliberated on and noted the following Standing Agenda Items: Quarterly Performance Report, Quarterly Finance Report, Quarterly Procurement Report, Quarterly Governance Report, Risk Report and Strategic Risk Register, Fraud Management Report, Legal Compliance Report, and Information Technology (IT) Governance Report

Finance, Human Resource and Legal Committee

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

(i) Financial Matters

- 1) Consider matters of financial strategy and policy, including procurement and supply chain management, risk management and insurance, as they relate to the operation of the CBE, in particular the optimum use of available and potential financial resources (including internal investment options and their rate of return)
- 2) Consider and assess all investment opportunities available to the CBE, in respect of all funds it administers, and determine the manner and extent to which funds are to be invested with a view to ensuring both security and optimisation of income
- 3) Review the annual financial statements of the CBE in conjunction with the Audit and Risk Committee, and make recommendations to Council
- 4) Receive and consider budget proposals from the Executive and recommend to Council the annual operating and capital budgets
- 5) Monitor compliance with PFMA in respect of matters relating to The Act
- 6) Review the adequacy of the working capital by comparing cash focus against the actual
- 7) Receive reports on fraud relating to the CBE
- 8) Establish an annual work plan to ensure that all relevant matters of the committee's roles and responsibilities are covered
- 9) Receive recommendations from the Bid Specification, Bid Evaluation, and Bid Adjudication Committees (BAC) as prescribed in the SCM policy
- 10) To take resolutions, make recommendations, receive information and consult as required by the Delegation of Authority (DoA)

(ii) Human Resources Matters

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

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

(3) Ensure compliance with all employment legislation such as Employment Equity Act, Labour Relations Act and Basic Conditions of Employment Act, etc.

(4) Consider and make recommendations on a formal and transparent procedure for developing a policy on remuneration with particular reference to Senior Management

(5) Determine the annual remuneration adjustments for CBE staff

(6) Creation and abolition of Senior Management positions, appointments, transfers and promotions of Senior Managers, the CEO's performance appraisal, and implementation of disciplinary action against the CEO

(iii) Legal Matters

(1) Deal with the BE Policy proposal by DPW relating to the repeal of the CBE Act

(2) Deal with legal aspects related to and other legal compliance matters

(3) Deal with Corporate Governance matters in Council referred to it by Council

(4) Receive information on the database of Appeals Committee members and recommend inclusions on the database to Council

(5) Receive appeal findings and make recommendations to Council on required corrective action identified by Appeal Committees

(iv) Social and Ethical Matters

(1) To monitor the CBE's activities, having regard to relevant legislation, legal requirements and good practice with specific reference to (2) to (6) below

(2) To promote ethical standards and guidelines for acceptable behaviour amongst all employees

(3) Promotion of good corporate citizenship with reference to:

(a) Equality, prevention of unfair discrimination and the eradication of corruption

(b) Promote employee awareness in the detection of fraud and other corrupt activities

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

The FHLC held a scheduled meeting on 19 July 2018 to consider the following matters:

- a. Deliberated on and noted the following: Quarterly Expenditure Report, Quarterly Procurement Report, Quarterly Human Resources Report, Risk Register, IT Governance and Project Report, Appeals Outcome Report, Contract Register, Legal Compliance Report, and Social and Ethics Implementation Plan
- b. Considered the FHLC handover report for the Fifth Term Council to Council

The FHLC held a special meeting on 26 July 2018 to consider the following matters:

- a. Approve the minutes of the meeting held on 19 July 2018
- b. Conclude the FHLC Resolution Register for the Fourth Term of Office

Recommended the FHLC handover report for the Fifth Term Council

Built Environment Matters Committee

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

- a. Consider progress reports from management on the achievement of the APP targets per Programme, propose remedial action where required to management and follow up on the implementation thereof through the Project Champions
- b. Project Champions are members of the BEMC allocated the role to promote specific APP targets

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

The BEMC held a scheduled meeting on 18 July 2018 and considered the matters below:

- a. Deliberated on and noted the Quarterly Performance Report
- b. Deliberated on and noted the following:
 - a progress report on Unachieved Targets from the previous financial year and unachieved quarterly targets
 - a progress report on the Stakeholder Management, Marketing and Communications Committee
 - a Transformation Progress Report and update regarding the Indaba
- c. Considered the BEMC handover report for the Fifth Term Council to Council

The BEMC held a special meeting on 26 July 2018 to consider the following matters:

- a. Approve the minutes of the meeting held on 18 July 2018
- b. Conclude the BEMC Resolution Register for the Fourth Term of Office
- c. Recommended the BEMC handover report for the Fifth Term Council to Council

Council Meetings

Council held a special meeting on 26 July 2018 to deliberate, consider and approve the following matters:

- a. First Quarter Report
- b. Risk Report and Register
- c. Revised identification of work (IDoW) Action Plan

- d. 2017/18 Annual Report; Annual Financial Statements and AGSA Management Letter and Audit Report
- e. FHLC, BEMC Chairperson's and CEO's Reports, Legal Compliance Report, Social and Ethics Implementation Report, and Report on Governance Matters
- f. Combined the handover reports from EXCO, FHLC, ARC, and BEMC into a Council Handover Report for the Fifth Term Council
- g. Concluded the Council Resolution Register for the Fourth Term of Office

Table 4: Council Committees composition and meetings

Council Committee	Number of meetings scheduled	Number of meetings held	Committee membership	Meeting Attendance	
				2018/07/26	2018/07/31
EXCO				2018/07/26	2018/07/31
	1	2	IM Nkosi (Chairperson) NF Sithole (Deputy-Chair) Prof KA Michell Dr ZT Mathe S Thubane (Alternate)	Yes No Yes Yes No	Yes Yes Yes Yes
ARC				2018/07/25	2018/08/30
	2	2	D Coovadia P Stock F Docrat NF Sithole A Lee (Sassenberg)	Yes Yes Yes No Yes	Yes Yes Yes - -
FHLC				2018/07/19	2018/07/26
	1	2	Prof KA Michell (Chairperson) ND Lombard JL Margolius A Lee (Sassenberg) IM Nkosi RS Sefotlho ZC Mvalo	Yes Yes Yes Yes No Yes No	Yes Yes Yes Yes Yes Yes Yes
BEMC				2018/07/18	2018/07/26
	1	1	Dr ZT Mathe Mr IM Nkosi Dr CA Breed EG Makongwana D Michell C Mtshisa ZC Mvalo RG Sefotlho S Thubane MM Tshangela	Yes Yes Yes Yes Yes No No Yes Yes Yes No	Yes Yes No Yes Yes No Yes Yes No No
Council				2018/07/26	

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

Remuneration of Council members

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

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

- C Mtshisa
- ZC Mvalo
- MM Tshangela

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

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

Table 5: Council Remuneration

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

3.4 RISK MANAGEMENT

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

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

The operational risk register was finalised at the end of the previous quarter. Progress updates were populated on the Strategic Risk Register. Progress on implementing actions on the risk registers are submitted to the relevant committees on a quarterly basis, for monitoring thereof.

Risk is now a standing item on the Management Committee agenda and receives the necessary attention. The Business Continuity Management plan has been drafted and was circulated to obtain inputs from all departments. Internal Audit has made progress in reviewing the Combined Assurance Model Framework during the quarter.

3.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT

During the quarter under review, the AGSA finalised the audit for the 2017/18 financial year. The audit covered all areas within the CBE viz. performance information, finance, supply chain, information technology and human resources. The entity received a clean 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 will be presented to FHLC for recommendation to Council upon the appointment of the new Council.

3.6 INTERNAL AUDIT

Internal Audit Function

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

Based on the approved internal audit plan for the 2018/19 financial year, the following audits were performed during the quarter under review:

- First quarter audit of predetermined objectives
- Internal and external findings addressed

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

3.7 COMPLIANCE WITH LEGISLATION AND PROCEDURES

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

3.8 FRAUD AND CORRUPTION

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

During the quarter under review, no incidents were reported on the fraud hotline. A fraud and corruption awareness workshop was held with staff on the Protection of Disclosures Act and the functioning of the fraud hotline. A whistle blowing policy is in draft and will be finalised in the upcoming quarter.

3.9 MINIMISING CONFLICT OF INTEREST

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

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

3.10 CODE OF CONDUCT

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

A further test performed during the quarter on the Central Supplier Database revealed that one of the two staff members whose businesses were identified was still registered. In an attempt to address the transgression, a disciplinary process was initiated, but not concluded as the employee resigned during the process.

3.11 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

The quarterly health and safety team meeting was held in August 2018.

Monthly meetings with the building management were also held to address issues relating to building maintenance and safety precautions. The items for both meetings included the frequent non-functionality of the passenger lifts, non-functional evacuation speakers, non-existence of fire blankets and emergency wheel chairs.

3.12 TRAINING AND DEVELOPMENT

Training is implemented in line with the approved annual training plan.

Seven employees attended the Stakeholder Engagement and Management training. The feedback was overwhelmingly positive, hence another training session has been scheduled for the management team.

Two executives attended the Public Finance Management and Administration training.

Two employees from the Office of the CEO attended training on proofreading and editing.

3.13 SUPPLY CHAIN MANAGEMENT

The table below indicates the total procurement spend on Historically Disadvantaged Individuals (HDI) share as 83.7%. White males account for 16.3% and 0% of spend is attributable to state-owned entities (SOEs). The CBE will continuously endeavour to increase its HDI percentage.

Table 6: Procurement

Procurement Details	Procurement for Quarter 2 ending September 2018					
	Procurement		Contractual Amount		Totals	Procurement distribution
	R	Percent	R'	Percent	R'	Percent
HDI	R 164 490	64.4	R 455 813	93.9	R620 303	83.7
Women	R 70 242	27.5	R 45 086	9.3	R 115 328	15.6
Black Male	R 94 248	36.9	R 410 727	84.6	R 504 975	68.1
White Male	R 90 904	35.6	R 29 847	6.1	R 120 751	16.3
State-owned entities	R 0	0	R 0	0	R 0	0
Total	R 255 394	100	R 485 660	100	R 741 054	100

PART C: PERFORMANCE INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

CBE implemented its 2018/19 annual performance plan through five Programmes. The composition of the Programmes has changed. The Administration component from the former Programme 1 (Government Policies and Priorities) now stands alone in a 'revised' Programme 1. The Government Policies and Priorities component of the former Programme 1 now stands alone in a 'new' Programme 5. Programmes 2, 3 and 4 remain as they were. Therefore, the revised Programmes are:

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

4.1 Programme 1: Administration

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

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

*4.1.1 Implement 50% of the IT Governance Policies based, on COBIT 5 – **Achieved.***

This aim of this target is to implement the ICT Governance Framework approved priority areas (Policies) as per COBIT5. These policies include:

- IT Acceptable Use policy
- IT Security policy
- IT Social Media policy
- IT Backup policy (Service Restoration and Continuity,
- IT Data and Information Management policy

- IT Disaster Recovery policy (Business Continuity)

These policies will be configured in the CBE IT environment to meet the objective of good governance.

The target was achieved. During the quarter, the Data and Information Management Policy and Acceptable Use of IT Policy were implemented. 67% (4/6) of the IT Governance Policies, based on COBIT 5 were implemented.

*4.1.2 Business Analysis and Draft Specification for the Electronic – Built Environment (E-BE) System completed – **Not Achieved.***

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

The target was **not achieved**. The bid was cancelled and re-advertised, but not awarded. Therefore the Business Analysis and draft specification for the E-BE System could not be performed as the service provider has not yet been appointed.

*4.1.3 Unqualified audit report on financial statements, with no material findings for the 2017/18 financial year – **Achieved.***

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

The target was achieved. The CBE received a clean audit, although some minor findings were raised. Action plans have been developed for the findings and these will be monitored on a quarterly basis, through submitting an updated matrix to all relevant structures.

Table 7: Programme 1: Administration

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
1.1 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE.	To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE.	Percentage of ICT Governance policies Implemented as per the Department of Public Service Administration's (DPSA) Corporate Governance policy framework.	A CBE IT Governance Framework, in line with DPISA's Corporate Governance of ICT Policy Framework, fully implemented (100%) by 31 March 2019.	0	Implement 50% of the IT Governance Policies, based on COBIT 5.	Achieved-67% (4/6) of the IT Governance Policies, based on COBIT 5 were implemented, i.e: First Quarter -Backup Policy and IT Security Policy. Second quarter _Data and Information Management Policy and Acceptable	17% , i.e one additional policy was implemented in one of the quarters as there was no sequence in the implementation	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			
						Use of IT Policy.						
1.2 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE.	To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE.	Implemented Electronic – Built Environment (E-BE) System.	An Electronic – Built Environment (E-BE) System implemented in any three CBEP by 31 March 2019.	1 410	Business Analysis and Draft Specification for the Electronic – Built Environment (E-BE) System completed.	Not Achieved. Bid Cancelled and Re-Advertised	Business Analysis and draft specification for the E-BE System could not be performed as the service provider has not yet been appointed.	The bid for the service provider to be awarded in the 3 rd quarter for the Business Analysis and draft specification for the E-BE System to be performed.	395	0	100%	Service provider to be appointed within the 3 rd quarter.

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			
1.3 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE.	To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE.	Unqualified audit report on financial statements.	An unqualified audit report on financial statements , with no material findings for the 2017/18 financial year.	0	Unqualified audit report on financial statements, with no material findings for the 2017/18 financial year.	Achieved Clean audit was received.	N/A	N/A	0	0	0	N/A

4.2 Programme 2: Skills for Infrastructure Delivery

The strategic objective of Programme 2 is to drive and facilitate skills development and transformation within the BE.

This programme is responding to section 3(c) of The Act:

- promote ongoing human resource development in the built environment

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

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

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

*4.2.1 Consultation with the Architect and Town Planner councils – **Achieved.***

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

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

The target was achieved. The CBE held consultation meetings on SIPs with the SACAP on 7 September 2018 and with the SACPLAN on 12 September 2018.

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

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

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

The analysis report for the Maths and Science support programme was compiled. Quarterly monitoring visits were conducted at CUT on 17-18 August 2018 and at COEGA on 20 September 2018 where BE career presentations were delivered. Other career expos that the department attended during the quarter were:

- UNESCO Engineering Week (Cape Town) - 17 September 2018
- SABC career expo at Hemmingways (East London) - 21-22 September 2018

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

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

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

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

The target was achieved. The CBE placed 37 candidates on the workplace training for candidates programme. It is an over-achievement of the second quarter target arising from the CETA grant awarded to the CBE. The placed candidates, from provincial departments and municipalities, requested the assistance of a mentor as there were none in their workplace.

Table 8: Candidates placed on the work place training

Information and statistics of 2018/19 candidate applicants		
Number of applications in Quarter 2:		37
GENDER	NUMBER	PERCENTAGE
Female	20	54
Male	17	46
Total	37	100
RACE	NUMBER	PERCENTAGE
African	36	97
Indian	0	0
Coloured	1	3
White	0	0
Total	37	100
CBEP	NUMBER	PERCENTAGE
ECSA	4	11
SACPCMP	17	45
SACQSP	8	22
SACAP	2	5
SACLAP	6	16
Total	37	100

4.2.4 Assessed progress of the 50 interns placed in work integrated learning – **Achieved.**

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

The target was achieved. The progress of the 50 interns placed in work integrated learning was developed.

Table 9: UoTs of assessed interns

UoT	Number of students assessed
Central University of Technology	29
Mangosuthu University of Technology	4
Durban University of Technology	4
Walter Sisulu University of Technology	13
Total	50

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

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

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

The target was achieved. There was a progress reports on the accreditation visit undertaken on 28 September 2018 at the University of KwaZulu-Natal. The Skills Development Department organised for the CHE to conduct an accreditation workshop with CBE management on 26 September 2018.

*4.2.6 Two Metropolitan municipalities engaged on the implementation of the CBE Structured Candidacy Framework – **Achieved.***

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

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

The target was achieved. Two engagements were held in the quarter - with the City of Ekurhuleni on 27 July 2018 and the Nelson Mandela Bay Municipality on 19 September 2018. The department attended the following meetings regarding this project:

- Municipal Infrastructure Support Agency (MISA) - 2 August 2018
- Infrastructure Skills Development Grant (ISDG) at National Treasury - 3 August 2018
- South African Council for the Project and Construction Management Professions (SACPCMP) - 31 July 2018

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

The CBE's annual Transformation Indaba provides a national platform to discuss transformation of the built environment. The intention is for the Transformation Indaba to be an annual event, to serve as a 'past-present future' mirror to:

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

The quarterly target was achieved. The revised project scope - inclusive of a revised budget and project plan - was presented to the BEMC with the amendments and developments.

Table 10: Programme 2: Skills for Infrastructure Delivery

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 implementation plans for high demand skills professions categories developed for SIPs.	A Strategic Infrastructure Projects (SIPs) implementation plan for two categories of high demand BEPs (Architects and Town Planners), approved by the CEO by 31 March 2019.	5	Consultation with the Architect and Town Planner councils.	Achieved. Consultation meetings were held on SIPs with the SACAP on 7 September 2018 and with the SACPLAN on 12 September 2018.	N/A	N/A	4	0	(100%)	The timing of travel expenditure cannot be reliably measured as this relates to stakeholder engagements.

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			
2.2 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of learners enrolled in the Maths and Science support programme.	150 Grade 12 learners enrolled in CBE's Maths and Science support programme by 31 March 2019.	1 062	150 grade 12 learners enrolled in the Mathematics and Science Support Programme.	Achieved-153 grade 12 learners enrolled	3 extra learners were placed.	N/A	852	195	77%	Invoices were requested from the service provider.
2.3 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of candidates/ BE graduates placed for Workplace training.	50 Candidates/BE graduates placed and assessed in workplace training by 31 March 2019.	1 731	25 Candidates placed and assessed for workplace training.	Achieved -37 candidates were placed and assessed on the workplace training.	12 extra candidates were placed because of funds received from CETA.	N/A	508	422	17%	All mentors will be appointed in Q3 where funds will be utilised on mentoring.
2.4 A transformed BE with appropriate, adequate skills and	Drive and facilitate skills development and	Number of interns placed for workplace training.	100 Interns placed and assessed for work integrated	2 538	Assessed progress of the 50 interns placed in work	Achieved progress of the 50 interns placed in	N/A	N/A	1 815	1 422	22%	One of the tertiary institutions have had issues with their

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			
competencies, responsive to the country's infrastructure delivery needs.	transformation within the BE.		learning by 31 March 2019.		integrated learning	work integrated learning was assessed						banking details. The matter should be resolved in the next quarter.
2.5 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of oversight reports of BEPCs' Accreditation of BE Academic Programmes.	One oversight report developed on the accreditation of Academic Programmes undertaken by the CBEP by 31 March 2019.	9	Progress report on accreditation visits undertaken by the CBEP to evaluate compliance with CHE's 19 Accreditation Criteria	Target Achieved. Progress report on accreditation visits was developed.	N/A	N/A	7	1	88%	The timing of travel cost cannot be reliably measured.
2.6 A transformed BE with appropriate, adequate skills and competencies,	Drive and facilitate skills development and transformation within the BE.	Number of municipal, provincial and national departments and	Four Metropolitan municipalities engaged on the	17	Two Metropolitan municipalities engaged on the implementation of the	Target Achieved. The City of Ekurhule	N/A	N/A	3	1	62%	Travel claims not yet processed

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			
responsive to the country's infrastructure delivery needs.		SOEs supported on their BE technical capacity based on the researched initiatives.	implementation of the CBE Structured Candidacy Framework by 31 March 2019.		CBE Structured Candidacy Framework.	initiated on 27 July 2018 and the Nelson Mandela Bay Municipality on 19 September 2018						
2.7 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of Transformation engagements held with built environment stakeholders.	One Annual Transformation Indaba hosted and reported on to DPW by 31 March 2019.	1 036	Final approved project plan on the Transformation Indaba, developed and approved by BEMC.	Achieved Final project plan on the Transformation Indaba developed and approved by BEMC	N/A	N/A	436	33	92%	Most of the budget remains unutilised due to delays in appointing service providers.

4.3 Programme 3: Built Environment Research, Information and Advisory

The strategic objective of Programme 3 is for CBE to provide informed and researched advice to Government and the public on BE priority matters identified in the Medium Term Strategy Framework (MTSF). For the 2018/19 APP, Programme 3 has four annual targets. All of the targets for the second quarter were achieved. There was not much movement on the budget during the quarter, as the nature of work in most of the projects had no cost implications except travel and catering for stakeholder engagements.

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

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

It is contributing to the following outcomes of the DPW:

Direct outcomes

- Outcome 4 – decent employment through inclusive growth (Chapter 3 of the NDP [National Development Plan])
- Outcome 6 – an efficient, competitive and responsive economic infrastructure network (Chapter 4 of the NDP)
- 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)
- Outcome 10 - protect and enhance our environmental assets and natural resources (Chapter 5 of the NDP)

The targets for the second quarter performed as follows:

*4.3.1 Progress report on the implementation of the initiatives to support infrastructure skills within Government, developed and approved by the COO and CEO – **Achieved.***

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

The target was achieved. A report on initiatives by metropolitan councils and other entities of government on the initiatives to support infrastructure skills was developed. The report covers the initiatives to support infrastructure skills within Government implemented by the City of Ekurhuleni metropolitan municipality, Nelson Mandela Bay metropolitan municipality, MISA, National Treasury (ISDG), Department of Public Works (DPW), SACAP, SACPLAN and the CBE.

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

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

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

- Establish the availability of requisite built environment skills as prescribed by the SIPDM within the selected municipalities

- Identify individuals who possess built environment qualifications but have not registered with any of the CBEP
- Identify existing processes and legislative frameworks that can be utilised to ensure sustainable technical capacity within DPW

This project forms part of CBE's response to strengthen the technical capacity of both the public and private sector for infrastructure delivery. The DPW is strategically identified with its mandate to oversee the delivery of infrastructure and asset management within the public sector. The CBE identifies capacity needs and the readiness to implement the SIPDM in DPW's National and Provincial Departments. It goes on to provide continuous support on the technical skills requirement to the DPW, through participation in the various reporting platforms. The CBE participated in an exercise to establish the technical skills baseline information within the DPW to ascertain its readiness to implement the SIPDM. Issues identified during engagements guide National Treasury on the effective implementation of the SIPDM. A critical milestone during the quarter was the agreement with National Treasury to review the current SIPDM, which also considers improvements to the IDMS. Importantly, the CBE engaged the CBEP in providing advice to Government on technical skills for infrastructure delivery. The lessons drawn from the engagements highlight necessary interventions in infrastructure delivery across the three tiers of Government.

The target was achieved. The first draft report was developed, highlighting key issues from the national and provincial DPW technical skills baseline, and engagements with the CBEP on the SIPDM. There were engagements with National Treasury and DPW on the funding requirements to effectively support technical capacity within the public sector. CBE recommended the DPW Minister to engage with the Department of Public Service Administration (DPSA) Minister on the challenges identified in implementing the Occupations Specific Dispensation (OSD), aimed at attracting professionals in the public sector.

*4.3.3. First draft of the advisory report on Health and Safety regulations within the public sector, developed and approved by the COO and CEO – **Achieved.***

This project emanates from the Health and Safety Accord and Action Plan signed in 2013 by the Department of Labour, DPW and labour representatives to promote higher standards of health and safety in the built environment. The CBEP co-signed the Accord as a commitment

to promote health and safety in their professional practice. The SACPCMP has the function to register Health and Safety practitioners in the construction sector. As the Department of Labour (DoL) remains the custodian of regulating construction health and safety, CBE initiated a formalised partnership through a draft MoU during this quarter. The partnership enables the CBE to respond to its mandate to promote health and safety, implement determinations that were made through the Accord, and to create awareness on the importance of compliance with health and safety regulations. The Construction Health and Safety Accord is based on the Occupational Health and Safety Act enacted in 1994, which gives workers some rights in health and safety in the workplace. It guides management on setting up safety representatives and safety committees in the workplace.

The objectives of the project are to:

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

The target was achieved. The first draft report was developed, highlighting key issues from the national and provincial DPW on health and safety as well as the general landscape in the compliance with the regulations. The report also highlights the engagements held with the DoL. Due to delays experienced in finalising engagements with DoL, the scheduled engagements with the SACPCMP had to be postponed to the third quarter. During the quarter, a meeting was held with the DPW to establish the extent of compliance with the Health and Safety regulations. It was agreed to continue the engagement in the third quarter on the reports developed by the unit. The discussions were timely, as a number of government buildings were reported non-compliant.

*4.3.4 First draft of the advisory report on BEPs role in the Expanded Public Works Programmes (EPWP), developed and approved by the COO and CEO- **Achieved.***

The project will be implemented through an existing MoU, signed two years ago between DPW, Expanded Public Works Programme (EPWP) and the International Labour Organization (ILO). The initiative supports labour intensive practices in the delivering government infrastructure projects. It promotes job creation in the country, with specific interest in the role

of BEPs. Further, the project seeks to create greater awareness amongst the infrastructure departments, BEPs and tertiary institutions offering BE programmes on labour intensive practices.

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

- Establish a baseline of EPWP initiatives
- Establish the role of BEPs in the EPWP
- Create awareness amongst infrastructure departments, BEPs and tertiary institutions offering BE programmes on labour intensive practices

The target was achieved. During the quarter, the EPWP submitted documents including the EPWP Guidelines and Ministerial Determination. The EPWP and ILO team presented a workshop to the CBE team on the key concepts of the EPWP and important aspects on the role of BEPs. A critical issue of note was that labour intensive practices could not ignore the dominating debate in various sectors on the impact of the fourth industrial revolution. A joint platform was proposed between CBE and EPWP/ILO to discuss challenges and opportunities that this may present on the current EPWP principles. The DPW Limpopo was engaged to establish the extent to which they are implementing EPWP guidelines. Other engagements, planned with KwaZulu-Natal and Mpumalanga DPW, were confirmed for the third quarter. The first draft report highlights the main components of the EPWP guidelines and the role of BEPs in promoting labour intensive designs and practices in delivering government projects. It includes projects profiled by the EPWP, highlighting the socio-economic benefits of the EPWP. Projects selected in provinces will highlight the role of BEPs in promoting labour intensive techniques.

Table 11: Programme 3: BE Research, Information and Advisory

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.	Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.	Number of reports on initiatives and programmes to support technical capacity within the State.	A report on the initiatives to support infrastructure skills within Government by 31 March 2019.	0	Progress report on the implementation of the initiatives to support infrastructure skills within Government, developed and approved by the COO and CEO.	Achieved. Progress report on the implementation of the initiatives to support infrastructure skills within Government, was developed and approved by the COO and CEO.	N/A	N/A	0	0	N/A	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			
3.2 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions.	Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.	Number of research reports to support infrastructure delivery in the public sector (Analysis of the impact of SIPDM).	A research report, analysing the impact of the Standards for Infrastructure Procurement and Delivery Management (SIPDM) on attracting and retaining BEPs within DPW by 31 March 2019.	382	First draft of the research report analysing the impact of the Standards for Infrastructure Procurement and Delivery Management (SIPDM) on attracting and retaining BEPs within DPW, developed and approved by the COO and CEO.	Achieved. First draft report analysing the impact of SIPDM was developed and approved by the COO.	N/A	N/A	190	124	35%	The unspent budget will be spent in the third quarter.
3.3 An optimally functioning BE with a responsive and relevant policy	Provide informed and researched advice by the CBE to	Number of advisory report on Health and	One advisory report on Health and Safety	59	First draft of the advisory report on Health and Safety	Achieved First draft advisory	N/A	N/A	11	0	(100%)	Unspent budget will be spent in the third quarter.

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
and legislative framework, based on informed and researched positions.	Government on BE priority matters identified in the MTSF.	Safety regulations within the public sector.	regulations within the public sector, developed and submitted to Department of Labour by 31 March 2019.		regulations within the public sector, developed and approved by the COO and CEO.	report on health and safety regulations was developed and approved by the COO and CEO.						
3.4 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions.	Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.	Number research reports on initiatives to promote labour intensive construction practices in the BE projects.	One advisory report on BEPs role in the Expanded Public Works Programmes (EPWP), developed and submitted to DPW	174	First draft of the advisory report on BEPs role in the Expanded Public Works Programmes (EPWP), developed and approved by	Achieved -First draft advisory report on BEPs role in EPWP was developed and approved by the	N/A	N.A	53	35	35%	Unspent budget will be spent in quarter three.

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			
			EPWP by 31 March 2019.		the COO and CEO.	COO and CEO						

4.4. Programme 4: Regulation and Oversight of six CBEP

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

This Programme is responding to sections 20 and 21 of the CBE Act.

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

For the 2018/19 APP, Programme 4 has six quarterly targets, one of which was not achieved. The targets performed as follows:

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

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

The target was achieved. Two appeals were due for decision during the quarter - both were decided within the prescribed 60 days.

*4.4.2 Implement 25% of the identification of work (IDoW) Action Plan deliverables – **Achieved.***

CBE is impelled by section 21(2) of The Act to identify the scope of work for each category of registered persons. The process is referred to as the identification of work (IDoW) and the scoping of the work is determined after consultation with the Competition Commission (CC) and in consultation with the six CBEP.

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

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

The target was achieved. The six CBEP agreed, at a Registrars Committee meeting on 1 August 2018, to implement the revised Action Plan (approved by Council on 26 July 2018). The revised Action Plan is to invite CBEP to supplement their previous recommendations on the IDoW, (addressing the concerns of the CC). The CBE must further consult all stakeholders and identify the scope of work for each category of registration. Of the eight deliverables in the revised Action Plan, the following are already achieved:

- (i) *The CBE to confirm its IDoW Policy.* Sent to the CBEP, in writing, on 18 June 2018
- (ii) *The CBE to invite the CBEP to supplement its earlier IDoW recommendations:* Issued, in writing, on 18 June 2018 with a deadline of 22 August 2018. Reminder issued on 1 August 2018 at the Registrars Committee meeting
- (iii) *The CBE to consult with any person, body or industry.* Consultations undertaken with the provincial DPW in Western Cape and Mpumalanga. Engagements were also held with the SACPCMP Presidential Forum, SACAP IDoW Steering Committee, CESA Young Professionals Imbizo
- (iv) *The CBE to identify the scope of work for each category of registration:* The CBE identified the scope of work of all the categories of all six CBEP by 28 September 2018
- (v) *Quarterly update of stakeholders on progress with the process:* An update published on the CBE website on 28 September 2018

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

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

The target was achieved. The progress made by two CBEP (SACPCMP and SACAP) on implementing the Framework was monitored, and reports subsequently compiled. The overall

impression was the said two CBEP demonstrated a high level of compliance - SACAP has a comprehensive Board Charter and strong induction plan for Council members, and SACPCMP places strong emphasis on stakeholder relationships. Neither CBEP, though, conducted board and committee evaluations. The CBE will adopt a pro-active role to enhance compliance.

*4.4.4 Consultation with the six CBEP on the implementation plan for the six CBEP' alignment of their policies with the Ministerial approved policy framework - **Achieved.***

One of CBE's mandates is to ensure the uniform and consistent application of norms and guidelines by the CBEP through policies. The policies underpin 13 concurrent functions. Alignment of these policies between the CBEP, the CBE and DPW is required. An assessment on the alignment of CBEP' policies with the seven Ministerial approved policy frameworks was conducted during the previous financial year to ensure alignment. An implementation plan to ensure alignment is to be developed and approved during the current financial year.

The target was achieved. A workshop was held with the CBEP on 28 September 2018 on the first draft implementation plan; with the following significant outcomes:

- (i) The CBEP accepted the first draft implementation plan
- (ii) The CBE will resubmit the assessment findings to the CBEP
- (iii) The CBE will engaged the CBEP individually to refine their implementation targets

The CBEP acknowledged the importance of aligned policies and the value of the implementation plan in that regard.

*4.4.5 Consultation with the CBEP on the first draft of the Regulatory Framework on governance oversight of CBEP - **Achieved.***

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

The DPW circa 2012 required the six CBEP to develop roadmaps towards compliance with the PFMA as a mechanism to enhance good governance (hereafter referred to as the 2012 Directive).The six CBEP are not listed in the PFMA as entities to comply with the PFMA, contradicting the 2012 Directive and the provisions of the PFMA. This contradiction highlighted the need to engage stakeholders from the CBEP, DPW, National Treasury and CBE to find a

solution to the matter. A workshop to resolve the matter, held during the previous financial year, resulted in the following decisions:

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

The target was achieved. The CBEP were consulted at a workshop on 28 September 2018 on the first draft Regulatory Framework. The following were the most significant outcomes of the consultation:

- (i) The CBEP supported the concept of a Regulatory Framework containing King IV and PFMA Principles
- (ii) The CBE's Legal Department will prepare an opinion on National Treasury's role on the listing of entities in terms of the PFMA, and the meaning of "subsidiaries" in the context of the PFMA
- (iii) The need to comply with PFMA principles for good governance was noted, given recent developments at CBEP
- (iv) The CBE will conduct one-on-one engagements with the CBEP to refine the first draft framework where necessary

*4.4.6 Receive the Annual Reports of the six CBEP for submission to DPW and Parliament - **Not Achieved.***

This project seeks to ensure that the six CBEP, on their path towards compliance with their professions Acts, 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's priorities in the BE.

The quarter's target, as per the APP, was not achieved. The CBE tabled five of the six CBEP' annual reports in Parliament on 28 September 2018. The SACAP, whose annual report was outstanding, has undertaken to the CBE to rectify their non-submission by submitting the requisite 60 copies and one soft copy of their Annual Report by 08 October 2018.

Table 12: Programme 4: Regulation and Oversight of six CBEP

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			
4.1 BEPs who operate within a regulated policy and legislative framework.	Act as an appeal body on matters referred to it in terms of the law regulating the BEPs, and promote and ensure high standards of professional ethics within the BE.	Percentage of submitted appeals against decisions of CBEP finalised within the statutory period of 60 days.	Finalise 100% of appeals within the statutory 60 days of their lodgement by 31 March 2019.	865	A report on compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days from lodgement.	Achieved. Report on the compliance with the statutory mandate was developed. . Two appeals were due for decision during the quarter - both were decided within the prescribed 60 days.	N/A	N/A	283	454	(60%)	The over expenditure was necessitated by an increased number of appeals received. The over expenditure will be absorbed by an increase in the budget, achieved through the transfer of funds from other Programme's projects without compromise

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly Targets and Actuals					Actual Expenditure	% Variance	Corrective Action in case of poor spending
					Quarterly performance Target Q2	Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
												ing performance.
4.2 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Percentage of the IDoW Action Plan deliverables implemented.	Implement 50% of the deliverables of the identification of work (IDoW) Action Plan by 31 March 2019.	100	Implement 25% of the identification of work (IDoW) Action Plan deliverables.	Achieved Five, out of eight (62,5%) deliverables were implemented (deliverables 1-5 as per page 5 of the report)	37.5% extra of deliverables were implemented, i.e. two deliverables were implemented in the 1 st quarter: The CBE confirmed its IDoW Policy in writing to the CBEP on 18 June 2018 The CBE invited the CBEP in writing to supplement their earlier	N/A	25	0	100	Expenditure in the next quarters will be prompted by increased consultation, requiring travel and legal advice.

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			
							IDoW recommendations on 18 June 2018					
4.3 BEPs who operate within a regulated policy and legislative framework.	Alignment by six CBEP to CBE's Corporate Governance Framework	Corporate Governance Framework implemented.	A report on the six CBEP' implementation of the King IV corporate governance framework submitted to Council and DPW by 31 March 2019.	5	Monitor and report on the progress made by two CBEP on the implementation of the Corporate Governance Framework.	Achieved Progress made by two CBEP on the implementation of the corporate governance framework was monitored	N/A	N/A	3	0	100	Expenditure for travel will incur during the upcoming quarters.

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			
4.4 BEPs who operate within a regulated policy and legislative framework.	Alignment by six CBEP to CBE's Corporate Governance Framework	Implementation plan developed to align the six CBEP with the Ministerial approved BE policy frameworks.	An implementation plan for the six CBEP' alignment of their policies with the Ministerial approved policy framework, developed and approved by COO and CEO by 31 March 2019.	0	Consultation with the six CBEP on the implementation plan for the six CBEP' alignment of their policies with the Ministerial approved policy framework.	Achieved The CBEP were consulted in writing and at a workshop on 28 September 2018.	N/A	N/a	0	0	0	N/A
4.5 BEPs who operate within a regulated policy and legislative framework.	Alignment by six CBEP to CBE's Corporate Governance Framework	Initiatives developed to broaden governance in the CBEP.	A Regulatory Framework on governance oversight of CBEP, developed by 31	36	Consultation with the CBEP on the first draft of the Regulatory Framework on governance	Achieved The CBEP were consulted at a workshop on 28 September 2018.	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			
			March 2019.		oversight of CBEP.							
4.6 BEPs who operate within a regulated policy and legislative framework.	Adoption and Implementation of the CBE Monitoring and Evaluation Framework	Number of Strategic Plans, APPs and Annual Reports of the six CBEP submitted to CBE and DPW.	The six CBEP' Strategic Plans, APPs and Annual Reports are submitted to DPW by 31 March 2019.	0	Receive the Annual Reports of the six CBEP for submission to DPW and Parliament.	Not achieved	Five annual reports were submitted to Parliament. SACAP did not meet the deadline.	The report was submitted on 2 October 2018.	0	0	0	N/A

4.5. Programme 5: Government Policies and Priorities

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

*4.5.1 First draft of the implementation plan developed – **Achieved.***

This project's focus is to develop an implementation plan for incorporating new knowledge areas on environmental sustainability, construction health and safety, labour intensive techniques, and the IDMS into BE academic curricula.

The target was achieved. A first draft of the implementation plan to incorporate health and safety, sustainability, labour intensive construction and the IDMS into academic curricula was developed. The plan provides the process that the University of Johannesburg (UJ) will follow to incorporate these identified new knowledge areas.

Table 13: Programme 5: Government Policies and Priorities

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q2	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q2	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
5.1 A BE that is responsive to the developmental and economic priorities of Government.	BE academic curricula embody issues of health and safety in construction, environmental sustainability and job creation through labour intensive construction as well as the IDMS and SIPDM.	Number of implementation plans incorporating new knowledge in BE curricula.	An implementation plan to incorporate health and safety, sustainability, labour intensive construction and the Infrastructure Delivery Management System (IDMS) into BE academic curricula, developed by 31 March 2019.	168	First draft of the implementation plan developed.	Achieved. First draft of the implementation plan developed.	N/A	N/A	84	0	100	UJ Invoice processed in October 2018.

PART D: EXPENDITURE REPORT

EXPENDITURE REPORT FOR THE QUARTER ENDING 30 SEPTEMBER 2018

Expenditure versus budget

	Quarter 2				Quarter Year To Date				Full year budget			
	Actual	Budget	Variance to date	Percentage variance	Actual	Budget	Variance to date	Percentage variance	Actual	Budget	Variance to date	Percentage variance
Levies	40,152	528,625	(488,473)	-92%	80,551	1,057,250	(976,699)	-92%	80,551	2,125,000	(2,044,449)	-96%
Grant income	25,050,000	25,050,000	-	0%	50,100,000	50,100,000	-	0%	50,100,000	50,100,000	-	0%
Interest	215,305	375,501	(160,196)	-43%	433,104	751,002	(317,898)	-42%	433,104	1,502,000	(1,068,896)	-71%
Other Income	911,329	-	911,329	0%	920,760	-	920,760	0%	920,760	-	920,760	0%
Total Income	26,216,786	25,954,126	262,660	1%	51,534,415	51,908,252	(373,837)	-1%	51,534,415	53,727,000	(2,192,585)	-4%
Programme												
Administration	11,176,567	11,519,228	342,661	3%	21,435,153	22,159,950	724,797	3%	21,435,153	45,540,000	24,104,847	53%
Skills for Infrastructure Delivery	1,331,264	1,710,528	379,264	22%	2,074,735	3,625,340	1,550,605	43%	2,074,735	6,398,000	4,323,265	68%
BE Research, Information and Advisory	24,332	118,600	94,268	79%	158,560	254,200	95,640	38%	158,560	615,000	456,440	74%
Regulation and Oversight of six CBEP	178,758	156,750	(22,008)	-14%	454,166	310,500	(143,666)	-46%	454,166	1,006,000	551,834	55%
Government Policies and Priorities	-	42,250	42,250	100%	-	84,000	84,000	100%	-	168,000	168,000	100%
Total Expenditure	12,710,921	13,547,356	836,435	6%	24,122,614	26,433,990	2,311,376	9%	24,122,614	53,727,000	29,604,386	55%
Net Surplus/(Deficit)	13,505,865	12,406,770	1,099,095	9%	27,411,801	25,474,262	1,937,539	8%	27,411,801	-	27,411,801	0%

Explanations for significant deviations:

Revenue

The revenue consists mainly of the Parliamentary Grant funding received from DPW, which was received as budgeted. The favourable variance for the quarter arises from the CETA Funds received. Unfavourable variances have been noted on the CBEP levies and interest. The variances are due to the difference in the timing of the expected CBEP levies and an under-collection of interest on the investment account.

Expenditure

The variances on expenditure were as follows:

Programme 1: There was a favourable variance of R724 797 (3%) due to the delay in appointing a consultant for the E-BE System.

Programme 2: There was a favourable variance of R1 550 605 (43%), mainly attributable to the postponement of the Transformation Indaba to February 2019. The timing of mentorship costs for the structured candidacy project and stipends for interns in workplace training also contribute to the variance. These expenses will incur throughout the year.

Programme 3: There was a favourable variance of R95 640 (38%) for the quarter under review, mainly due to the phased expenditures of travel and accommodation and consulting that differed from the budget.

Programme 4: There was over expenditure resulting in an unfavourable variance of R143 666 (46%), for appeal committee fees. There were an increased number of appeals received in the period, thus the budgeted cost could not be determined accurately.

Programme 5: The favourable variance of R84 000 (100%) is due to consulting fees not expensed as budgeted. There was a delay in appointing a service provider.

PART E: HUMAN RESOURCES

Recruitment and Selection

Two resignations resulted in the positions of Policy Analyst and Secretary to the Chief Financial Officer (CFO) becoming vacant during August 2018. The recruitment process for permanent replacements is in progress. Meanwhile, a temporary contractor has been engaged in the office of the CFO.

Staff Movement

There was no staff movement during the quarter.

Table 14: Employee Statistics

Permanent Employees:										
African		Asian/Indian		White		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Male	
18	9	2	0	4	3	1	0	25	12	37
Fixed Term Employees:										
1	1	0	0	0	0	0	0	1	1	2
18-Aug										
Permanent Employees:										
African		Asian/Indian		White		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Male	
18	8	2	0	4	3	1	0	25	11	36
Fixed Term Employees:										
1	1	0	0	0	0	0		1	1	2
18-Sep										
Permanent Employees:										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Male	
17	8	2	0	4	3	1	0	24	11	35
Fixed Term Employees:										
2	1	0	0	0	0	0	0	2	1	3

Staff Turnover:

Number of employees at beginning of quarter and at end of quarter (37+35); Divide by 2 = Total (72÷2 = 36)

Divide terminations over Total x 100 = turnover % (2÷36 x 100 = 5.55%)

The table above reflects two terminations during the period under review.

Table 15: Race and Gender Equity

Population group	Male			Female			Total		
	No.	Percentage male distribution		No	Percentage female distribution		No	Percentage of total distribution	
		CBE	SA Population		CBE	SA Population		CBE	SA Population
African	8	72.7	80.9	17	70.8	80.9	25	71.4	80.9
Colored	0	0.0	8.7	1	4.2	8.9	1	2.9	8.8
Indian/Asian	0	0.0	2.6	2	8.3	2.4	2	5.7	2.5
White	3	27.3	7.8	4	16.7	7.9	7	20.0	7.8
Total	11		100.0	24		100.0	35		100.00

The target figures provided have been benchmarked with the latest mid-year population estimates by Statistics SA demographic data, (P0302 July 2018). Representations have been exceeded with all White and female Indian/Asian employees. The CBE will endeavour to correct this with the appointment of African male or female, Indian male and Coloured male or female at its next recruitment opportunity.

Employee Relations

Individual disciplinary hearing sessions for three employees were held during the quarter. One employee resigned during the process, while the other two cases are still in progress.

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

Outstanding job re-profiling for six positions was finalised in September 2018. The salary negotiation meeting was successful, with an agreement for a staggered increase for salary levels, and an increase in housing allowance and medical aid contribution. The increments were paid at the end of July 2018.

Performance Management and Development

There was 100% submission of performance agreements and 97% of quarterly reviews. The moderation process was finalised, resulting in 100% employees qualifying for pay progressions and 27% for once off bonus payments. All incentives were paid in September 2018.

Employee Leave

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

Table 16: Employee Leave

Leave Type	July 2018		August 2018		September 2018		TOTAL	
	Empl	Days	Empl	Days	Empl	Days	Empl	Days
Annual	18	70	20	45	11	27	30	142
Sick	6	16	6	17	5	9	14	42
Family Responsibility	5	11	0	0	1	1	6	12
Special	0	0	1	1	1	1	2	2
Study	1	4	3	18	1	1	3	23
Maternity	1	22	1	40	2	38	2	100
Paternity	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0

Absenteeism management solutions indicate that on average, absenteeism rate can fluctuate between 1.5% up to an acceptable maximum of 4%. 54 Unplanned person-days were lost during the quarter, resulting in a below average absenteeism rate of 2.18%.

Table 17: Absenteeism rate

July 18														
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	SPL	#Empl	ML	Total Person days lost	Total Staff Comp	Rate %
18	70	6	16	5	11	1	4	0	0	1	22	27	39	3.19
August 18														
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	SPL	#Empl	ML	Total Person days lost	Total Staff Comp	Rate %
20	45	36	17	0	0	3	18	1	1	1	40	17	38	2.06
September 18														
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	SPL	#Empl	ML	Total Person days lost	Total Staff Complement	Rate %
11	27	5	9	1	1	0	0	0	0	2	38	10	38	1.21
Total for the period under review														
30	142	14	42	6	12	3	23	2	2	2	100	54	38	2.18

Legend:

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

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

#Empl: No. of employees

AL: Annual leave

SL1: Sick leave

FRL: Family Responsibility leave

SL2: Study leave

UL: Unpaid leave