



3rd QUARTER PERFORMANCE INFORMATION FOR THE FINANCIAL YEAR 2017/18

Third Quarter 2017/18: 01 October – 31 December 2017

APPROVAL

This Quarterly Report was approved by:



P. Mdlalose (Ms)

Chief Executive Officer



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1. ACRONYMS AND DEFINITIONS USED IN THE REPORT

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

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

ToR	Terms of Reference
UJ	University of Johannesburg
UoT	University of Technology
WIL	Work Integrated Learning

Committees of Council

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

Councils for the Built Environment Professions (CBEP)

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

CBE Programmes

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



PART A
EXECUTIVE SUMMARY



2. EXECUTIVE SUMMARY

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

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

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

The 2017/18 APP has 20 quarterly targets set for the third quarter. Of these, fifteen were achieved, four were partially achieved and one was not achieved.

Figure 1 below graphically outlines CBE's performance as attained by the different divisions in Quarter 3

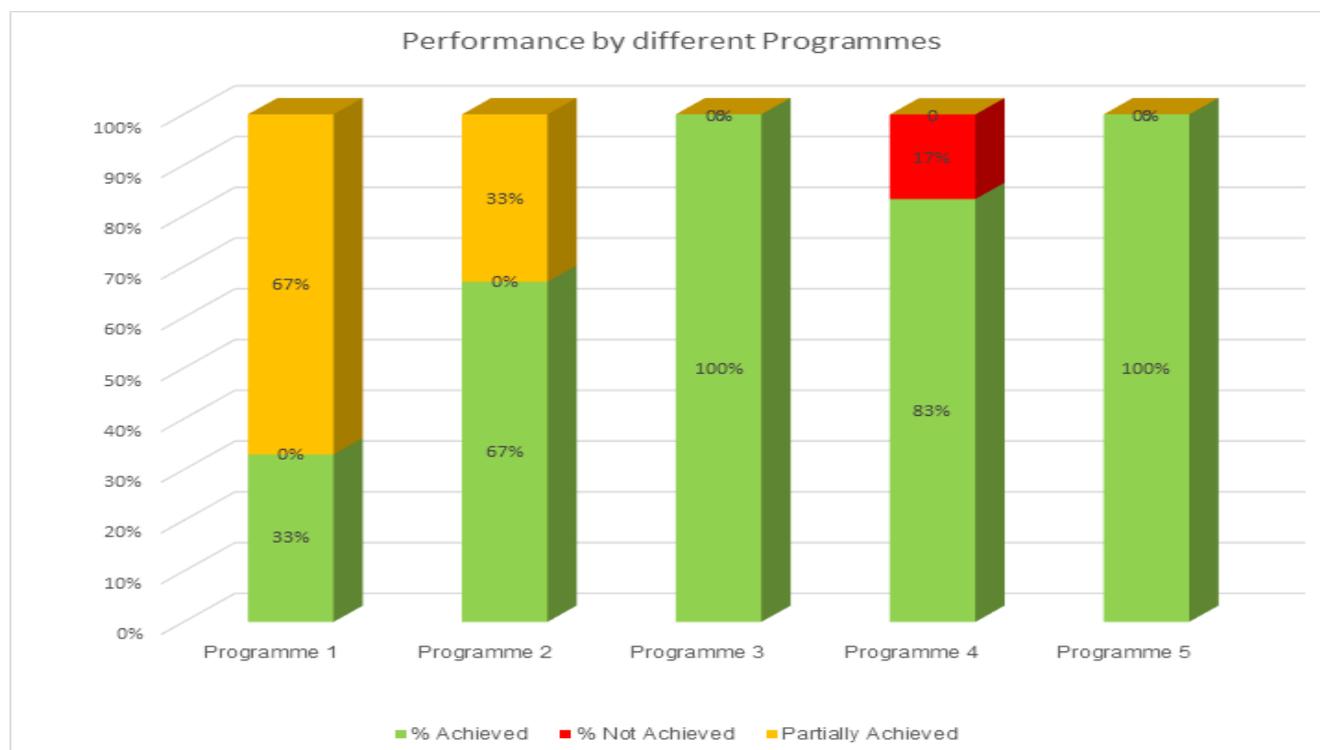
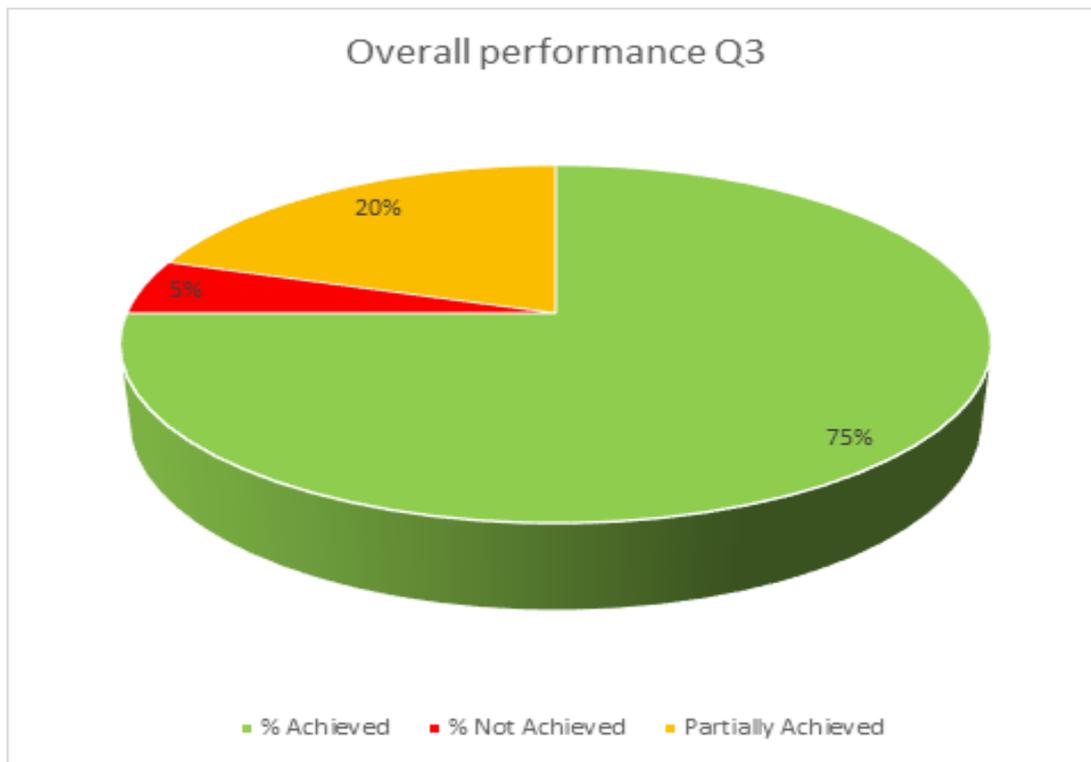


Figure 2: Overall performance for Quarter 3



The reasons for the non-achievement of five targets were as follows:

- Target 2.3: *Assessed progress of 50 placed candidates – **Partially Achieved.***
23 Candidates were not mentored, because their mentor contracts were not signed. Mentors' contracts were extended from previously one to three years. Delays incurred as these amended contracts proceeded from SCM, Treasury, and CBE's Legal Department in the approval and ratification chain. As mentors could only begin with the mentorship of candidates when these contracts were signed and in place, the delay impacted on the time frame of the project, resulting in 23 candidates not being mentored during the quarter.
- Target 2.6: *Three Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework – **Partially Achieved.***
The Northern Cape Department of Roads and Public Works did agree to an appointment but cancelled the engagement on short notice. They indicated that they are keen to engage the CBE on the CBE Structured Candidacy Framework in January 2018.
- Target 1.1: *Implementation of the Priority Areas of IT Governance, based on COBIT – **Partially Achieved.***
Some IT policies were not fully implemented. CBE arranged with the service provider to assist with implementation, and the process will be completed by the end of fourth quarter.



- Target 1.3: *Implement action plans to address prior year's audit findings for 100% of the findings – Partially Achieved.*

The unresolved findings relate to year end processes and procedures and will therefore be realised at the end of the financial year.

- Target 4.4: *Prepare 2nd draft of the IDoW Action Plan- Not Achieved.*

The second draft IDoW Action Plan was not developed. The CBE is yet to obtain comprehensive reasons from the Commission on the refusal of the exemption applications as at 30 November 2017. Approval from the Commissioner is being sought. Next meeting will be held in January 2018.

Table 1: Achievement status of quarterly targets

APP Programme	Number of quarterly targets	Achieved	Partially Achieved	Not Achieved
Programme 1	3	1	2	0
Programme 2	6	4	2	0
Programme 3	3	3	0	0
Programme 4	6	5	0	1
Programme 5	2	2	0	0
Quarter 3 total targets	20	15	4	1



PART B
GOVERNANCE



3. INTRODUCTION

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

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

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

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

Council agreed to an external performance assessment. Discussions are underway with the Department of Public Works (DPW) to participate in this process.

3.1 EXECUTIVE AUTHORITY

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

3.2 THE ACCOUNTING AUTHORITY

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

- a. To advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;
- b. To facilitate inter-ministerial co-operation concerning issues relating to the built environment;



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

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

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

3.3 COMPOSITION OF THE COUNCIL

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

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



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

Table 2: Fourth Term Council

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



Committees of Council:

Statutory Committees

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

Other Committees

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

Executive Committee

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

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

- a. Ensure that the resolutions of the Council are carried out.
- b. Consider any matter delegated to it by the Council in terms of any law, and advise the Council in connection therewith.
- c. Prepare estimates of revenue and expenditure of the Council.
- d. Control the expenditure of monies voted by Council in its approved estimates and all other monies or funds made available by the Council.
- e. Exercise or perform any power, duty or function delegated to it by the Council and such other powers as may be delegated to it by Council in terms of section 16 of the CBE Act.
- f. Report at every ordinary meeting of the Council on the activities of the committee.
- g. *It is noted that (a) to (f) above are functions allocated to the EXCO by legislation. It must however be noted that Council, as the Accounting Authority, is empowered to consider all relevant steps to ensure good governance and adequate financial control. The need for Council not to involve itself in operational matters dictate that the functions (c) and (d) be performed by the CBE administration, as per the delegation of authority by Council, and overseen by Council supported by the Audit and Risk Committee (ARC).*
- h. Oversee Risk Governance with reference to :
 - (i) The review of performance information as per the quarterly and annual reports prepared by management,
 - (ii) The review of mitigating measures proposed by management to address identified performance shortfalls and other identified risks, and monitor and assist management in its execution of mitigating measures and/or propose mitigating measures.

- i. Make recommendations to Council on the above and inform Council of decisions finalised in terms of the Council's delegation.

EXCO held a regular meeting on 31 October 2017 to consider the matters below:

- CBE's Second Quarter Report was approved for statutory submission;
- The Compliance Report was noted;
- The CEO's report on stakeholder management was noted;
- An IT Governance Report was noted.
- A new action plan for the IDoW process was noted; and
- Council's and EXCO's resolution registers were noted.

Audit and Risk Committee

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

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

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

Table 3: Audit and Risk Committee membership

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned
D Coovadia	External Member		6 December 2010 (1 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
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 one regular meeting during the quarter, on 9 November 2017. The meeting did not quorate and the formal approval of all reports were deferred to the next ARC meeting. The meeting noted the following:

- The detailed audit reports and work plan by Internal Audit;
- The second draft of the 2018/2019 APP;
- Quarter 2-, finance-, procurement-, performance- and legal compliance reports;
- The revised Audit and Risk Committee and Internal Audit Charter;
- The first draft of the IT policies; and
- The meeting emphasised the need to establish a Risk Management Committee.

Finance, Human Resources and Legal Committee

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

(i) **Financial Matters**

- (1) Consider matters of financial strategy and policy, including procurement and supply chain management, risk management and



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

(iii) **Legal Matters**

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

(iv) **Social and Ethical Matters**

- (1) To monitor the CBE's activities, having regard to relevant legislation, legal requirements and good practice with specific reference to (2) to (6) below.
- (2) To promote ethical standards and guidelines for acceptable behaviour amongst all employees.
- (3) Promotion of good corporate citizenship with reference to:
 - (a) Equality, prevention of unfair discrimination and the eradication of corruption.
 - (b) Promote employee awareness in the detection of fraud and other corrupt activities.
 - (c) Acknowledgement of employee involvement in community projects with due consideration of the CBE's mandate.
 - (d) Contribution to development of communities where the CBE conducts its activities.
- (e) To undertake initiatives to promote greater environmental responsibility by encouraging the use of environmental 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 the council on an annual basis on its findings, and more frequently if occasion requires.

A regular meeting of the FHLC, set for 24 October 2017, discussed:

- The Quarter 2 Expenditure and Procurement Report were noted;
- The launch of a CBE newsletter in collaboration with the CBEP was noted;
- The budget revision and surplus funds were recommended to Council for approval;
- The revised Supply Chain Management (SCM) policy was recommended to Council for approval;
- The meeting recommended the approval of the payment of the Transformation Indaba Programme Director to Council;
- The approval of the HR policies were recommended to Council;
- The approval of all the tabled IT Policies were recommended to Council;
- The appointment of a standing appeal committee was recommended to Council;
- The Compliance report was noted; and



Built Environment Matters Committee

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

- a. Consider progress reports from management on the achievement of the APP targets per Programme, propose remedial action where required to management and follow up on the implementation thereof through the Project Champions.
- b. Project champions are members of the BEMC allocated the role to promote specific APP targets.
- c. Receive reports and information required in terms of the APP on behalf of Council.
- d. Monitor and guide the CBE's Transformation Strategy.
- e. Monitor and guide the CBE's Stakeholder Management Strategy.
- f. Receive and consider information reported by the six councils for built environment professions (CBEP) to the CBE on a quarterly basis, and recommend remedial steps or intervention where required.
- g. Monitor the execution of actions required of the CBE by the CBE EXCO/President's Forum.
- h. Consider and recommend all CBE policies not considered by the FHLC to Council.

One meeting of the BEMC took place on 25 October 2017, where the following were discussed and resolved:

- BEMC noted the outcome of a workshop where PFMA compliance by CBEP was discussed;
- BEMC noted that the research capacity was augmented in collaboration with the University of Johannesburg and other universities were being considered;
- BEMC noted the Quarter 2 performance report;
- A new reporting method of presenting project scope objective for feedback and value add was discussed and agreed upon;
- The launch of a CBE newsletter in collaboration with the CBEP was noted and supported. BEMC proposed that members of Council provide technical articles regarding the BE and professions in line with a monthly theme schedule;
- Transformation Indaba – the way forward was discussed and is in the process of being developed; and
- The BEMC Resolution Register was noted.

Meetings of Council

A Council meeting was held on 23 November 2017. The following were discussed and resolved:

- The EXCO Chairperson's Report was noted.
- The ARC Chairperson's Report was noted, however, its recommendations were not considered by Council due to a non-quorate meeting.
- The FHLC Chairperson's Report was noted.

- The BEMC Chairperson’s Report was noted.
- The CEO’s report was noted

Council approved the following:

- The Recruitment Panel of the Chief Operations Officer (COO) and Chief Financial Officer (CFO) positions with offers to be made to successful candidates by 31 January 2018;
- The second draft of the APP 2018/19 for submission to DPW;
- The Budget Revision and Surplus Funding as recommended by FHLC;
- The SCM policy as recommended by FHLC;
- The appointment of the Standing Appeal Committee as recommended by FHLC;
- The launch of the CBE Bulletin;
- The Corporate Meeting Schedule for 2018/19;
- The commencement of the nomination process for the fifth term of office Council;
- The appointment of an external member of the ARC; and
- A special Council meeting to approve the final 2018/19 APP was scheduled for 26 January 2018.

Vacancies in Council

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

Table 4: Council Committees composition and meetings

Council Committee	Number of meetings planned	Number of meetings held	Committee membership	Meeting Attendance	
EXCO				31 October 17	-
	1	1	IM Nkosi (Chairperson) NF Sithole (Deputy-Chairperson) Prof KA Michell Dr ZT Mathe S Thubane (Alternate Member)	No Yes Yes No Yes	
ARC				9 November 17	
	1	2	D Coovadia M Mothipe F Docrat NF Sithole A Lee (Sassenberg)	Yes No Yes No No	



Council Committee	Number of meetings planned	Number of meetings held	Committee membership	Meeting Attendance	
FHLC				24 October 17	-
	1	1	Prof KA Michell (Chairperson) ND Lombard JL Margolius A Lee (Sassenberg) IM Nkosi RS Sefotlho ZC Mvalo	Yes Yes Yes Yes No Yes No	
BEMC				25 October 17	-
	1	1	Dr ZT Mathe Mr IM Nkosi CA Breed EG Makongwana D Michell C Mtshisa ZC Mvalo RG Sefotlho S Thubane MM Tshangela	Yes No Yes No Yes No No Yes No No	
Council				23 November 17	
	1	1	IM Nkosi (Chairperson) NF Sithole (Dep Chairperson) CA Breed ND Lombard EG Makongwana JL Margolius Dr ZT Mathe D Michell, Mr Prof KA Michell C Mtshisa ZC Mvalo A Lee (Sassenberg) RG Sefotlho S Thubane MM Tshangela	Yes Yes No Yes Yes Yes Yes Yes No Yes No Yes Yes Yes Yes No -	



Remuneration of Council members

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

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

- C Mtshisa
- ZC Mvalo
- MM Tshangela

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

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

Table 5: Council Remuneration

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

Name	Remuneration	Other allowance	Other re-imbursments	Total
IM Nkosi (Chairperson)	37 024	-	5 963	42 987
NF Sithole (Deputy Chairperson)	-	-	-	-
CA Breed	6 432	-	418	6 850
ND Lombard	9 648	-	877	10 525
N Maharaj (Resigned PY)		-		
EG Makongwana	6 432	-	-	6 432
JL Margolius	12 864	-	-	12 864

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

3.4 RISK MANAGEMENT

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

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

During the period under review, a strategic risks workshop was held with CBE Management. The aim of the workshop was to identify new risks that might hinder the CBE from achieving its strategic objectives. A risk register with action plans on how to mitigate those risks has since been developed. This will be updated on a quarterly basis and submitted to the relevant committee structures, for monitoring thereof.



3.5 INTERNAL CONTROLS AND FINANCIAL MANAGEMENT

During the quarter under review, the CBE reviewed and reported on the external audit matrix which addresses the identified 2016/17 audit findings. This matrix incorporates action plans on how to mitigate the identified findings. The action plans will be updated on a quarterly basis to monitor progress of all findings raised, and will be submitted to the relevant committee structures for monitoring thereof.

The Auditor General South Africa also commenced with planning, in preparation for the interim audit and in line with the signed audit strategy. It is anticipated that this will be finalised in the upcoming quarter.

3.6 INTERNAL AUDIT

Internal Audit Function

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

During the quarter under review, the internal auditors performed audits in the following areas:

- Second Quarter audit of predetermined objectives;
- Skills development;
- Human Resource Management Audit;
- Supply chain and expenditure management; and
- Follow up audit on Auditor General's findings.

Reports have since been prepared and will be submitted to relevant committee structures.

3.7 COMPLIANCE WITH LEGISLATION AND PROCEDURES

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

3.8 FRAUD AND CORRUPTION

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

During the quarter under review, an anonymous tip off was received from the fraud hotline on one of the CBE staff members. A disciplinary process had commenced but could not be finalised due to the resignation of the said member. A fraud awareness refresher training was also conducted with staff.

Another investigation which was reported to the previous hotline service is still pending. The matter is awaiting final interview with the staff member involved.

3.9 MINIMISING CONFLICT OF INTEREST

Declaration of interest registers were presented at all meetings of the Council and its Committees during the quarter. Special declaration forms relating to Code of Conduct for SCM practitioners 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, CBE employees are reminded annually that they are not allowed to conduct private business dealings which could be seen as conflict of interest with the business of the CBE, such as with a Government institution of South Africa.

Nine employees declared business interests. Their companies have been checked for compliance with the policy. A report has been submitted to Executive for further action where required.

3.11 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

A second incident of emergency evacuation was experienced. This also turned out to be a false alarm and was due to construction work carried out in the building.

Health and Safety committee meetings are held quarterly to discuss issues of concern. One committee meeting was held. A new safety checklist was developed and is used on a daily basis to detect hazards and on a weekly basis for maintenance of facilities.

Health and safety awareness posters are continually displayed throughout the building. Wellness articles were circulated on issues such as the use of antibiotics, diabetes and end-of-year stress. Wellness day was held on 1 December 2017 to commemorate World Aids Day, provide health screening and health diet talk by a nutritionist.

3.12 TRAINING AND DEVELOPMENT

Educational assistance continued for employees registered with accredited institutions for development courses.



Junior managers and supervisors attended training on Specialist to Management course. Managers; IT; Legal and secretariat employees attended training on King IV Corporate Governance. One employee attended a course on Effective Accounts Assistants. One IT employee attended training on Cobit V.

3.13 SUPPLY CHAIN MANAGEMENT

The table below indicates the total procurement spend on Historically Disadvantaged Individuals (HDI) share as 96%. White males account for 4%, and 0% of spend is attributable to state owned entities. The CBE will continuously endeavour to increase its HDI percentage.



Table 6: Procurement

Procurement Threshold Values	PROCUREMENT FOR THE 3 rd QUARTER ENDING DECEMBER 2017					
	Procurement Spend		Deviations from Normal Procurement Process			Comments (if applicable)
	No. of awards	Total Value (R)	Emergency (R)	Sole Supplier (R)	Impracticality (R)	
0 - R2000	20	17 618				
R2100 - R10 000	6	27 730				
R10 100 - R499 000	13	1 184 684		295 836	13 931	
R500 000 +	1	3 364 216				
Pricing Variations						
Supplier	Original Quote (R)	Price Variation (R)	% Variation	Comments (if applicable)		
Mentors	1 608 460.00	3 364 217	209.15%			
Outstanding Orders (Payment Not Made Due to Outstanding Invoice)						
No.	Supplier	Due Date	Amount	Comments (if applicable)		
1.	Spacio Office Designs	19/10/2017	8 138	Paid		
2	Fox IT Service	20/11/2017	14 609	Not paid yet		
3	CBM Training	12/10/2017	4 976	Paid		
4.	Geeles Catering Services	03/10/2017	2 900	Paid		
5	Astro Technical Solutions	12/10/2017	79 936	Paid		
6.	Advantage Training	28/11/2017	205 200	Paid		
7	Mail and Guardian	17/10/2017	12 038	Paid		
8	Mail and Guardian	16/10/2017	120 896	End user approved wrong supplier		
9	Tiso Black star Group	20/10/2017	20 896	Paid		
10	Mail and Guardian	16/10/2017	11 512	Paid		
11	Tiso Blackstar group	23/10/2017	11 512	Wrong supplier approved by end user		
12	Radical Products	13/10/2017	15 532	Paid		
13	The property partnership	29/09/2017	969	Paid		
14	Langalibalele & Associates	03/11/2017	7 996	Paid		
15	Nashua Kopano	31/08/2017	356 612	Contract for 2 years for printers and purchase of 4 small printers		
16	M&E Caterers	13/11/2017	9 330	Paid		
17	Bogotsi Consulting	02/11/2017	45 241	Temp staff to be paid monthly from Jan		
18	Tiso Blackstar Group	14/11/2017	20 896	Paid		

19	Independent Newspaper	17/11/2017	2 280	Invoice received but incorrect awaits new invoice from SP
20	Food and Deco Elegant	23/11/2017	5 010	Paid
21	Tiso Blackstar Group	26/11/2017	20 896	Invoice submitted for payment to Finance
22	Basadzi personnel	26/11/2017	1 710	Invoice submitted for payment to Finance
23	Farm Inn	01/12/2017	10 700	Invoice not received yet from SP
24	Independent Newspaper	28/11/2017	1 710	Invoice received but incorrect awaits new invoice from SP
25	Tiso Blackstar Group	29/11/2017	13 931	Invoice submitted for payment to Finance
26	Banafrica 1	10/11/2017	16	Invoice not received yet from SP
27	Advtech Resourcing	07/12/2017	54 720	Paid
28	HR Advance	20/11/2017	31 388	Services not completed yet

Procurement	HDI			
	Supplier	Women (R)	Black Male (R)	White Male (R)
01/10/17 - 31/12/2017				
Geeles Catering Services	1 450	1 450		
Radical Products		15 532		
Tiso Blackstar Group	44 064	44 064		
Mail & Guardian		12 038		
M & E Caterers	9 330			
Bogotsi Consulting	45 241			
Food & Decor Elegant	5 010			
Independent News (Pretoria News)	1 140	1 140		
HR Advance			31 388	
Basadzi Personnel cc	1 710			
The Property Partnership			11 144	
Majang & Associates Inc.		11 580		
Ban Africa Languages	17 966			
Astrotech Training	39 967		39 967	
Advantage Training	102 600		102 600	
Farm Inn	5 350		5 350	
TOTAL	273 828	85 805	190 448	0

Contractual	HDI			
Supplier	Women (R)	Black Male (R)	White Male (R)	State owned entities (R)
01/10/17 - 31/12/2017				
Kopano Solutions T/A Nashua Kopano	178 306	178 306		
E-novative Africa Technologies	299 221			
Lekhu Pilson Attorneys		6 500		
Greenbuilt (Pty) Ltd Mabco Trading I-sizeze Training & Consulting	1 682 108	1 682 108		
TOTALS	2 159 635	1 866 914	0	0

PART C
PERFORMANCE
INFORMATION

4. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

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

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

4.1 Programme 1: Administration

The administrative function provides support to the entire CBE, thus contributing directly and indirectly to the delivery of all strategic outcome oriented goals. The focus areas are the Information Communications Technology (ICT) and financial support services. 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, is unqualified financial statements with no reported audit findings, in respect of either reporting on predetermined objectives or compliance with key legislation.

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

*4.1.1 Implementation of the Priority Areas of IT Governance, based on COBIT – **Partially Achieved.***

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

The target was partially achieved. The Priority Areas (IT Policies) as per COBIT 5 were approved, and the implementation of the Governance and Policies was started. In addition the procurement process for the IT security implementation was completed (advertised [RFQ], evaluated and appointed the service provider). The policies were not fully implemented; however CBE arranged



with the service provider to assist with implementation, and the process will be completed by the end of fourth quarter.

*4.1.2 Implemented IT Disaster Recovery Plan - **Achieved.***

The target is to deliver business enabling ICT projects. The target was achieved. Network Monitoring has taken place and the metric of 95% has been met. The Disaster Recovery Plan was approved on 23 November 2017 and the process of procurement of the Disaster Recovery has started.

The IT Strategic Plan is still awaiting approval by the relevant committees.

*4.1.3 Implement action plans to address prior year's audit findings for 100% of the findings – **Partially Achieved.***

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

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

An audit matrix with action plans on how to mitigate the raised findings in the 2016/17 audit has been updated in the quarter under review. Only 61% of audit findings have been resolved. It is anticipated that these will improve towards end of the financial year as some of them relate to year end processes and procedures. These action plans will also be monitored on a quarterly basis through updating of this matrix and submitted to all relevant structures, for monitoring thereof.

4.2 Programme 2: Skills for Infrastructure Delivery

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

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

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



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

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

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

*4.2.1 Second draft of implementation plan – **Achieved.***

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

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

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

The target was achieved. The second draft of implementation plan was developed in support of production of Landscape Architects and Property Valuers professionals for the SIPs. The views of the registrars of the respective councils for the professions were incorporated into the second draft. A final draft will be completed in the fourth quarter with the support of academics from the University of Johannesburg (UJ). This collaboration is the result of an agreement between the CBE and UJ.



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

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

More than 150 learners were registered in the Eastern Cape and Free State Provinces to participate in the CBE Maths and Science support programme, rolled out in the Port Elizabeth and Bloemfontein Education Districts respectively. The baseline and June 2017 examination results were submitted during the first quarter. A Progress Report, reflecting the progress of the enrolled learners in both areas was compiled. Although the APP indicates a target of 150 learners, the CBE has exceeded the learner numbers by enrolling a total of 164 grade 12 learners for the 2017 support programme. The results of the final examinations (December 2017) are awaited and will be reported on at the end of the fourth quarter.

*4.2.3 Assessed progress of 50 placed candidates – **Partially Achieved.***

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

For this quarter the target was partially achieved, as only 27 candidates were mentored. 23 Candidates were not mentored, because their mentor contracts were not signed. Mentors' contracts were extended from previously one to currently three years. Delays incurred as these amended contracts proceeded from SCM, Treasury, and CBE's Legal Department in the approval and ratification chain. As mentors could only begin with the mentorship of candidates when these contracts were signed and in place, the delay impacted on the time frame of the project, resulting in 23 candidates not being mentored during the quarter.

The CBE enrolled built environment graduates who are in full-time employment and who qualify to be registered as candidate at their respective CBEP on this programme.

Mentors, allocated to candidates, are scheduled to conduct three visits per annum to undertake the following:

- to interpret the outcomes from each of the CBEP in order to map out a generic training plan for the whole candidacy programme, with time lines;



- conduct workplace assessments to establish which CBEP outcomes would be achievable at the workplace and discuss with the employer plans to close the gap for those not achievable;
- ensure a structured workplace training plan that conforms to the requirements of the CBEP is in place; and
- monitor the candidates' progress on the structured workplace training plan up until the final CBEP interview.

Mentored candidates

The majority of the 27 candidates mentored were from Eastern Cape Department of Roads and Public Works (ECDRPW) and IDT.

It was established that none of the candidates possessed structured training plans, nor have they attended any training courses recently. The mentor will develop a comprehensive training plan with each candidate; which will be proposed and motivated to the employer. However, attention should be given to the fact that candidates are not fully involved in the management of their projects. Therefore, candidates would be required to adopt a different approach in terms of the management of projects in order to gain the necessary competencies.

It was identified that there are limitations in the employer's approach to project management, i.e.:

- i) candidates are managing consultants instead of taking the lead project management role;
- ii) partial involvement, lack of exposure to procurement processes; and
- iii) candidates are expected to play different roles on projects, such as project manager or quantity surveyor, as needed by the project.

Highlights / Challenges

The highlight for this quarter is that a further three candidates were appointed as professionals in their BE disciplines, which brings the total number of professional qualified candidates to six. The current situation is that the NDPW has introduced a similar candidacy programme, and has requested that CBE stops administering its programme to NDPW candidates. Engagements with NDPW are in the pipeline to resolve this matter.

4.2.4 Assessed progress of 50 interns – *Achieved.*

The aim of this project is for CBE to collaborate with Universities of Technology (UoTs) to place students in industry to complete work integrated learning (WIL), a mandatory practical component, in order to graduate with a National Diploma. CBE concludes Memoranda of Understanding (MoUs)

architecture • engineering • landscape architecture • project & construction management • property valuation • quantity surveying



with UoTs to assess relevant workplaces, place students for a maximum period of 12 months, and monitor and assess the interns during this period. While the UoT identifies interns for the programme, the CBE utilises Construction Education Training Authority's (CETA's) qualifying criteria to evaluate them and conduct intern verification. CBE undertakes all the administration regarding the interns training, including the payment of their monthly stipend.

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

The third quarter target was achieved. 55 Interns were assessed during CBE's monitoring and evaluation visits according to the following prescribed criteria:

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

All 55 interns are progressing well in achieving the expected outcomes from their UoT. All the Building Science and Architectural Technology students have completed their practical training and will be proceeding to their next year of study. The Electrical Engineering interns have completed P1 and will be proceeding to P2. The table below reflects the interns' fields of study.

Table 7: Interns fields of study

Mentored interns per field of study	
Architectural Technology	9
Building Science	2
Electrical Engineering (Heavy current)	43
Civil Engineering	1
TOTAL	55

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

This project exercises oversight on professional councils to ensure that public and private tertiary institutions adhere to an equitable and fair accreditation process. The professional councils are mandated to conduct accreditation on behalf of the Council of Higher Education (CHE); hence the procedures followed should be consistent and aligned to CHE's 19 Accreditation Criteria. In this



quarter the Skills Development Department partnered with UJ's Centre for Applied Research and Innovation in Built Environment (CARINBE) to:

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

The report on compliance with the 19 CHE accreditation criteria during the accreditation visits was developed. A review of documentation pertaining to accreditation by the various professional bodies revealed that not all councils adhered to the 19 CHE criteria. Documents from SACQSP, SACPVP, SACPCMP, SACAP and the SACLAP were available for review. The results of the CBE's assessment will be documented with support of academics from UJ for the preparation of a final report in the fourth quarter.

The table below details the accreditation visits for the quarter.

Table 8: Accreditation of Learning programmes

CBEP	Number of visits	Institution	Qualification	Accreditation outcome
SACQSP	1	University of Kwa-Zulu of Natal (UKZN)	BSc Quantity Surveying	Accreditation panel awarded both qualifications provisional accreditation due to staff and learner ratio pending Council approval.
			BSc Quantity Surveyors Honours	
SACPCMP	1	Walter Sisulu University of Technology (East London and Butterworth)	National Diploma: Building.	Provisionally accredited pending Council approval.

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

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



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

The three DPW Provincial Departments planned to be engaged during the third quarter were North West, Western Cape and Northern Cape. The third quarter target was **partially achieved** because the Northern Cape agreed to an appointment but cancelled it on short notice. They indicated that they are keen to engage the CBE on the CBE Structured Candidacy Framework in January 2018. North West and Western Cape were duly engaged and both provinces are committed to the implementation of the Framework. Challenges identified during the engagements will be addressed in conjunction with the relevant departments and CBEP. The engagement with the Western Province revealed a well-established and functioning programme rolled out by the provincial department. The CBE and said province agreed to take their collaboration further by conducting a joint workshop during the fourth quarter.

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 MTSF. For the 2017/18 APP, Programme 3 has three annual targets. During the quarter, all the targets were achieved. There was not much movement on the budget during the quarter as the nature of work in most of the projects had no cost implications except travel and catering for stakeholder engagements.

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

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



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

It is contributing to the following outcomes of the DPW:

Direct outcomes

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

Indirect outcomes

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

The targets for the third quarter performed as follows:

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

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

Progress report on implementation of initiatives was developed. In this quarter the Skills Development engaged with Eastern Cape, Western Cape and North West Public Works Provincial offices.



a. Eastern Cape

The Eastern Cape has the following as their skills development strategic drivers:

- Accelerate service delivery through acquisition and retention of competent and efficient human capital
- Reduce skills shortage and maximise job creation
- Provide technical personnel to meet the Department's medium and long-term requirements
- Reduce infrastructure, maintenance and service delivery backlogs

b. The Eastern Cape DPW

The Eastern Cape DPW bursars are required to work for the period they were funded, and can go on to register as candidates with the relevant CBEP. Most candidates register as Construction Project Management as they manage projects. There are 80 candidates being actively mentored by seven internal professionally registered mentors.

c. North West

The North West Province also require their bursars to work in the department for the period they were funded. The bursars are then employed as temporary staff and they are trained for either job readiness or the candidacy route. Those chosen for job readiness training attend a six month course with service provider, Modena, covering the following modules:

- AutoCAD for Architecture, Civil, Electrical and Structural Engineering
- Architectural training
- Civil training
- Revit core competency programme

This involves classroom work, work exposure and a written exam to receive a certificate.

The other group of bursars are employed on a fixed term and are encouraged to register with relevant CBEP as candidates. Presently there is no structured training programme and the department requested the CBE to assist with the implementation of a Structured Candidacy Programme.

d. Western Cape DPW



The Western Cape ensures that almost all their bursars are absorbed in the province. The department participates in the Provincial Skills Development Forum, also known as the provincial Advisory Board. The private sector in the province is also represented on the Advisory Board which, on a quarterly basis, plans the training plans of candidates and possible redeployment opportunities. According to the Professional Development department, the Western Cape DPW has a 100% success rate in professional registration since it implemented structured candidacy programme in 2010.

The CBE's engagements with the three DPW Provincial offices show government's commitment to capacitate their employees in the built environment. There are challenges which cannot be overcome within a short period, however a province such as the Western Cape demonstrates that human development strategies are implementable. Planning and financial commitment is required from the department to ensure success. The CBE, in partnership with NDPW, is facilitating engagement platforms to enable officials to share knowledge and strategies to improve their interventions.

*4.3.2 Second draft report on state of readiness of municipalities to implement the SIPDM - **Achieved.***

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

The project objectives are therefore to:

1. Establish the availability of requisite BEP skills as prescribed by the SIPDM within the selected municipalities.
2. Establish the existence of individuals with built environment qualifications but have not registered with CBEP.



3. Identify existing processes and legislative frameworks that can be utilised to ensure sustainable technical capacity within municipalities.

The target for the quarter was to produce a second draft report on the state of readiness of municipalities to implement the SIPDM. The target was achieved. The second draft report reviews documented progress made by various municipalities to implement the SIPDM. It is of note that since the effective date of 01 July 2017 most metropolitan and district municipalities have re-aligned their SCM policies to the SIPDM. Few local municipalities have re-aligned their policies. The second draft report outlines the analysis of the aspects of the re-aligned policies. The second draft report was submitted to the Acting COO for approval. Few municipalities have responded to the questionnaire developed to assess the state of readiness to implement the state of readiness of municipalities to implement the SIPDM. The Research and Policy unit is following up telephonically with the respective municipalities.

4.3.3. Second draft report on analysis of the impact of built environment skills development initiatives **- Achieved.**

The main objective of this project is to undertake a review and to assess the impact of CBE's Maths and Science support programme that has been implemented in various provinces. This will include assessing the success of the efforts to improve marks for Maths and Science learners, impact on the teachers and value for money added by the programme where it has been implemented. The assignment will further highlight any gaps and opportunities on the programme.

The specific objectives of the project are to:

- Assess the impact of CBE Maths and Science support programme in improving the results of learners in the schools involved;
- Establish the number of students from the programme who are undertaking BE qualifications;
- Assess the impact of the CBE programme from the perspective of the Provincial Departments of Education, the teachers and the school in general;
- Assess overall value add of the programme, while highlighting any shortcomings. This should include a comparative analysis of the various provinces; and
- Select one similar programme elsewhere to compare the level of impact and value for money.

During the quarter, the second draft report on the impact of Maths and Science support programmes focusing on built environment initiatives was developed. The project is implemented through the collaborative agreement with UJ. A Memorandum of Agreement (MoA) was signed to effect the



project implementation, and UJ was requested to submit an implementation plan aligned with the targets.

4.4. Programme 4: Regulation and Oversight of six BEPCs

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

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

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

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

For the 2016/17 APP, Programme 4 has six quarterly targets. All 6 targets were achieved and the targets for the third quarter performed as follows:

4.4.1 Quarterly Report on the compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days – *Achieved.*

Appeals Function

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

The quarterly report on the compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days was developed. One appeal was scheduled to be decided in the quarter. The parties agreed, at the hearing, that the appeal must be withdrawn to source the transcription of the record of the disciplinary hearing, which was not available at the time the appeal



was lodged. The transcription of the record of the disciplinary hearing may affect the points of contention to be decided in the appeal.

The Appeals Policy is being reviewed.

The Appeals Policy intends to establish a procedure for conducting appeals in a lawful, reasonable and procedurally fair manner that is cost- and time effective.

CBEP' who appeared before the Appeal Committee were invited to make proposals to improve the Appeals Policy. It was proposed that the CBE should consider prescribing a lodging fee for an appeal. The prescription of a fee to lodge an appeal with the CBE was considered during the previous review of the appeal policy. However, Council resolved that requiring a fee may prohibit access to justice.

*4.4.2 Prepare second draft of the IDoW Action Plan –**Not Achieved.***

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

The Competition Commission (CC) advised that the concept of identification of work is anti-competitive in terms of the Competition Act (no 89 of 1998) and required exemption applications to be filed to be exempted from the Competition Act prior to its implementation.

After extensive investigations the CC rejected the application.

The CC however suggested that a fresh application be submitted. This submission is to be structured in accordance with an Action Plan.

The draft Action Plan required the CBE to consult the CC, who will consider the application with the aim of providing guidance on how the IDoW policy can be improved to bring it in line with the provisions of the Competition Act.

The consultation with the CC did ensue, and with a view to assisting the CBE with identifying and fully understanding the issues pointed out by the CC in the previous exemption applications, the CC agreed to an “advocacy process” with the CBE.



The programme of action to roll out the advocacy programme has not been finalised with the CC but it necessitated that the Action Plan, drafted in the first quarter, be amended materially to incorporate the advocacy programme. The second draft IDoW Action Plan was not developed. The CBE is yet to obtain comprehensive reasons from the Commission on the refusal of the exemption applications as at 30 November 2017. Approval from the Commissioner is being sought. Next meeting will be held in January 2018.

Other activities undertaken during the quarter in relation to the IDoW:

The CBE published an article on its website, providing an update on the status of the identification process for all interested parties. It has also invited stakeholders to pose questions and comments on the process for the CBE's attention.

*4.4.3 Align CBE's Corporate Framework with the King IV principles of Corporate Governance - **Achieved.***

A review of the CBE's Corporate Governance Framework conducted during the first quarter determined that it was not feasible to amend it to incorporate the principles of King IV Report on Corporate Governance 2016 (King VI), therefore this necessitated that a new Corporate Governance Framework be developed.

A new Corporate Governance Framework was developed in the second quarter. To ensure alignment with King IV, the new Framework was exclusively premised on the seventeen principles and recommended practices of King IV.

The review and aligning of the CBE Corporate Governance Framework to the King IV principles Corporate Governance was completed. This revised CBE Governance Framework will be submitted to Council for approval in the fourth quarter.

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

This project seeks to ensure that there is consistent application of norms and guidelines in the way that CBEP align their policies with the policy frameworks approved by the Minister and, where applicable, promulgate rules to give effect to the policies.

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



SACQSP is currently reviewing most of its policies. The CBE has been assured by SACQSP that the principles of the policy frameworks are being considered.

ECSA did not submit policies for review and therefore their assessment was conducted by consideration information provided on their website. The assessment of the policies that were obtained from the website showed that ECSA is applying the principles of the policies framework.

*4.4.5 Implementation of the Action Plan – **Achieved.***

The CBE, impelled by section 3 (f) of the Council for the Built Environment Act, 43 of 2000, must promote sound governance of the built environment professions.

The Department of Public Works (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 highlights the need to engage stakeholders from the CBEP, DPW, National Treasury and CBE to ensure uniform and consistent application of norms and standards.

A workshop on the statutory applicability of the PFMA and value of PFMA as good governance code was held during the second quarter. Two recommendations were resolved at the workshop to improve the consistent application of norms and standards in governing the CBEP. An Action Plan was developed to implement the recommendations of the workshop.

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

This project seeks to ensure that the six CBEP, on their path towards compliance with the PFMA, are compliant with the statutory requirements of Government-wide budgeting and planning/reporting requirements. It means that their Strategic Plans and Annual Report must be compliant with statutory requirements and Government priorities in the BE. The objectives of the project are to guide the monitoring and reporting processes on the 13 functions of the CBE and professional councils through:

- Assist professional councils in submission of Strategic plans and Annual performance plans as per agreed time lines



The consultation took place during the Registrars Forum of 02 November 2017 where Registrars were reminded to submit their strategic plans and annual performance plans. It was agreed that the six councils should submit their annual performance plans to CBE before the end of March 2018. The CBE will receive all six CBEP' documents and submit them to DPW before 31 March 2018.

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 Infrastructure Development Management System (IDMS).

*4.5.1 Second draft implementation plan developed – **Achieved.***

This project's focus is to develop an implementation plan for incorporating new knowledge areas on Environmental Sustainability, Construction Health and Safety, Labour Intensity, and the IDMS in the built environment curricula. A first draft of the implementation plan was developed, from the baseline study undertaken by the CBE during the 2016/17 financial year.

The second draft implementation plan was developed by the CBE together with a team of researchers from the UJ's CARINBE.

The next phase of development of the implementation plan will engage key role players, who can influence changes in the curricula in all tertiary institutions. CBE, with its observer status during the accreditation of the learning programmes in tertiary institutions, will use this opportunity to monitor the extent to which institutions are introducing inclusive changes into these new knowledge areas of their learning programme design and curricula. In addition, key institutional actors, industry, learners and the CBEP will also be contacted to inform the development of an implementation plan.

Empirical data from the interviews will be analysed using content analysis to identify themes relevant to the study to finalise the implementation plan.



4.5.2 Phase 2 of the study completed, as per the approved ToR and Project Plan – **Achieved.**

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

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

The target for the quarter was achieved. Phase 2 of the study was completed, as per the approved terms of reference (ToR) and Project Plan. The project is implemented through the collaborative agreement with UJ. A MoA was signed to effect the project implementation and UJ was requested to submit an implementation plan aligned with the targets. A meeting to discuss Phase 2 of the study was held on 11 December 2017, and the report will be submitted to the Acting COO for approval.

5. Other special projects of the CBE

The CBE and the councils for the professions formed a discussion forum known as the CBE EXCO/BEPC Presidents Forum (the Presidents Forum). The mandate of the Presidents Forum is *inter alia* to discuss matters of common interest. The Presidents Forum has established a Working Group, approved by the CBE Council, to address matters related to foreign professionals and advise the Minister accordingly as per the CBE's statutory mandate. The CBE has been involved with the Cuban Technical Advisors (CTAs) programme; the Working Group wants to align lessons learnt out of this initiative to support the unemployed graduates and to mobilise the CBEPs to avail themselves to assist CTAs who might be interested in professional registration. The Working Groups also wants to support the initiative of the department of designing the exchange programme for built environment students.



PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

Programme 1: Administration

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
1.1 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE.	To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE.	Implemented ICT Governance processes as per DPSA guidelines.	IT Governance Framework, in line with DPSA Corporate Governance of ICT Policy Framework, implemented by 31 March 2018.	124	Implementation of the priority areas of IT Government, based on COBIT.	Partially achieved - The Priority Areas (IT Policies) as per COBIT 5 were approved, and the implementation of the Governance and Policies was started. In addition the	Policies implementation not fully implemented.	Scheduled the service provider to assist with implementation to complete in Q4.	0	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
						procurement process for the IT security implementation was completed (Advertised (RFQ), Evaluated and Appointed the service provider).						
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.	Approved ICT Implementation Plan.	ICT Plan implemented by 31 March 2018.	0	Implemented IT disaster Recovery Plan.	Achieved - Network Monitoring has taken place and the metric of 95% has been met, The Disaster Recovery Plan was approved on 23	N/A	N/A	0	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
						November 2017 and the process of procurement of the Disaster Recovery has started.						
1.3 Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of the CBE.	To ensure that CBE has the necessary capacity and capability to support Government's development priorities within the BE.	Clean audit strategy.	Unqualified audit report for 2017/18.	0	Implement action plans to address prior year's audit findings for 100% of the findings.	Partially achieved.	61% of the finding have been resolved. 39% of the findings are outstanding.	To be monitored on a quarterly basis through updating of the external audit matrix.	0	0	0	N/A

Programme 2: Skills for Infrastructure Delivery

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
2.1 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of implementation plans for high demand skills professions categories developed for SIPs.	Two categories of high demand profession implementation plans developed in support of Landscape Architects and Property Valuers professionals for the SIPs by 31 March 2018.	140	Second draft of implementation plan.	Achieved - The second draft of implementation plan was developed in support of production of Landscape Architects and Property Valuers professionals for the SIPs.	N/A	N/A	0	0	0	N/A
2.2 A transformed BE with appropriate, adequate skills and	Drive and facilitate skills development and	Number of learners enrolled in the Maths and Science support	150 Grade 12 learners enrolled in the Maths.	1 124	Progress report of 150 enrolled learners.	Achieved - Progress report of 164 enrolled	The reason for deviation is CBE adopted a school that had 33	N/A	281	12	95%	Final invoices for Q3 work performed by project

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
competencies, responsive to the country's infrastructure delivery needs.	transformation within the BE.	programme.	and Science support programme by 31 March 2018.			learners compiled.	grade learners. Same resource could accommodate extra 14 learners.					partners still awaited.
2.3 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of candidates/ BE graduates placed for workplace training.	50 New candidates /BE graduates in workplace training by 31 March 2018.	2 178	Assessed progress of 50 placed candidates.	Partially Achieved Assessed progress of 27 candidates.	27 Candidates assessed instead of 50 candidates Reasons: The 23 candidates not assessed was because their mentors had not signed their mentor contracts	These contracts had already been sent out to the service provider and to request all outstanding mentor contracts from service provider by 19 January 2017 in order to complete the	790	203	74%	Poor spending occurred because not all the candidates were mentored and also because NDPW has requested that we do not mentor their candidates which reduces the candidate numbers thus affecting expenditure

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
2.4 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of interns placed for workplace training.	100 Interns placed for work integrated learning by 31 March 2018.	3 324	Assessed progress of 50 interns.	Achieved - Progress of 50 interns assessed	N/A	N/A	910	887	2%	N/A
2.5 A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs.	Drive and facilitate skills development and transformation within the BE.	Number of oversight reports of BEPCs' Accreditation of BE Academic Programmes.	One oversight report on the Accredited Academic Programmes by the BEPCs by 31 March 2018.	228	Report on compliance on the 19 CHE accreditation criteria during the accreditation visits.	Achieved - Report on Compliance on the 19 CHE accreditation criteria during the accreditation visits compiled.	N/A	N/A	25	21	12.0%	N/A
2.6 A transformed BE with appropriate, adequate skills and	Drive and facilitate skills development and	Number of municipal, provincial and national departments and	Nine Provincial Public Works Departments	190	Three Provincial Public Works Departments	Partially Achieved - Two Provincial Public Works	Engaged two instead of three	To meet the Northern Cape in	0	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
competencies, responsive to the country's infrastructure delivery needs.	transformation within the BE.	SOEs supported on their BE technical capacity based on the researched initiatives.	engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2018.		engaged on the implementation of the CBE Structured Candidacy Framework.	Departments engaged on the implementation of the CBE Structured Candidacy Framework: North West and Western Cape.	Provincia l DPWs.	January 2018.				

Programme 3: BE Research, Information and Advisory

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
3.1 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions.	Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.	Number of reports on initiatives and programmes to support technical capacity within the State.	Report on initiatives to support infrastructure skills within Government by 31 March 2018.	0	Progress report on implementation of the initiatives.	Achieved - Progress report on implementation of the initiatives developed.	N/A	N/A	95	95	0	N/A
3.2 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions.	Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.	Number of research reports on the state of readiness by municipalities to implement the SIPDM.	One research report on state of readiness of municipalities to implement the SIPDM by 31 March 2018.	364	Second draft report on state of readiness of municipalities to implement the SIPDM	Achieved - second draft report on state of readiness of municipalities to implement the SIPDM developed.	N/A	N/A	50	0	100	Expenditure will be utilised in the next quarter.

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
3.3 An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions.	Provide informed and researched advice by the CBE to Government on BE priority matters identified in the MTSF.	Number of research reports on analysis of the impact of built environment skills development initiatives.	Research report on analysis of the impact of CBE's Maths and Science support programmes focusing on built environment by 31 March 2018.	383	Second draft report on analysis of the impact of built environment skills development initiatives.	Achieved - Second draft report on analysis of the impact of built environment skills development initiatives developed.	N/A	N/A	85	85	0	N/A

Programme 4: Regulation and Oversight of six BEPCs

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
4.1 BEPs who operate within a regulated policy and legislative framework.	Act as an appeal body on matters of law regulating the BEPs, and promote and ensure high standards of professional ethics within the BE.	Percentage of submitted appeals against decisions of CBEP finalised within the statutory period of 60 days.	100% Finalisation of appeals within the statutory 60 days by 31 March 2018.	268	Quarterly Report on the compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days.	Achieved- Quarterly Report on the compliance with the statutory mandate of deciding appeals within the prescribed period of 60 days compiled.	N/A	N/A	450	180	0	Due to an appeal being withdrawn the projected expenditure could not be utilised. The appellant indicated that he will re-lodge his appeal in the 4 th quarter.
4.2 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Implementation report on the IDoW Action Plan.	Develop an IDoW Action Plan approved by Council by 31 March 2018.	949	prepare 2 nd draft of the IDoW Action Plan	Not achieved-	CBE is yet to obtain comprehensive reasons from the Commission	Approval from the Commissioner is being sought. Next meeting will be held in	150	0	0	An invoice of R 91 818.24, for work performed in the quarter was not submitted by the

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
							on the refusal of the exemption applications as at 30 November 2017	January 2018.				service provider.
4.3 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Reviewed Corporate Governance Framework approved by Council.	Reviewed and aligned CBE Corporate Governance Framework to the King IV principles of Corporate Governance, and approved by Council by 31 March 2018.	28	Align CBE's Corporate Governance framework with the King IV principles of Corporate Governance.	Achieved-. CBE's Corporate Governance framework with the King IV principles of Corporate Governance.	N/A	0	28	0	N/A	Funds will be utilised in the 4 th quarter to review the new Corporate Governance Framework for alignment to King IV and to review the effectiveness of the assessment checklist at ensuring compliance with King IV by the CBEP.

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
4.4 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	An Assessment report on the six CBEP Policies alignment with the seven (ministerial approved) Policy Frameworks.	An Assessment Report on the six CBEP Policies alignment with the seven (ministerial approved) Policy Frameworks, submitted to DPW, by 31 March 2018.	0	Two BEPCs assessed on the alignment of their Policies with the seven (ministerial approved) Policy Frameworks.	Achieved- Two CBEP (ECSA and SACQSP) were assessed on the alignment of their policies with the seven approved Policy Frameworks.	N/A	N/A	0	0	0	N/A
4.5 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Percentage of the PFMA workshop outcomes implemented.	50 Percent of the PFMA workshop outcomes implemented by 31 March 2018.	5	Implementation of the Action Plan	Achieved- An action plan was developed to implement the recommendations of the workshop.	N/A	N/A.	3	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
4.6 BEPs who operate within a regulated policy and legislative framework.	Promote and ensure high standards of professional ethics within the BE.	Number of Strategic Plans, APPs and Annual Reports of the six CBEP submitted to CBE and DPW.	Six BEPCs Strategic Plans, APPs and Annual Reports submitted to DPW by 31 March 2018.	0	Consultation with three BEPCs on the development of their Strategic Plans, APPs and Annual Reports.	Achieved. The six BEPC's were consulted on the formulation of APPs, Strategic plans and annual report.	N/A	N/A	0	0	0	N/A

Programme 5: Government Policies and Priorities

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

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

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure R'000	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget R'000			
5.1 A BE that is responsive to the developmental and economic priorities of Government.	BE academic curricula embody issues of health and safety in construction, environmental sustainability and job creation through labour intensive construction as well as IDMS and SIPDM.	Number of implementation plans incorporating new knowledge in BE curricula.	Implementation plan to incorporate health and safety, sustainability, labour intensive construction and the IDMS and SIPDM into BE academic curricula by 31 March 2018.	0	Second draft implementation plan developed.	Achieved - Second draft implementation plan developed.	N/A	N/A	0	0	0	N/A

Strategic Goal	Strategic Objective	KPIs	Annual Target	Annual Budget	Quarterly performance Target Q3	Quarterly Targets and Actuals				Actual Expenditure	% Variance	Corrective Action in case of poor spending
						Actual Q3	Deviation from the Quarterly target	Corrective action	Quarterly budget			
									R'000			
5.2 A BE that is responsive to the developmental and economic priorities of Government.		Number of research reports to inform CBE's Transformation Strategy.	406	Benchmarking Study on Transformation best practice by 31 March 2018.	Phase 2 of the study completed, as per the approved ToR and Project Plan	Achieved - Phase 2 of the study completed, as per the approved ToR and Project Plan and reported	N/A	N/A	0	0	0	N/A

PART D
EXPENDITURE
REPORT



Council for the Built Environment

Expenditure Report for the period ending December 2017

1. Expenditure versus budget

	Month				Year To Date				Full year budget			
	Actual	Budget	Variance to date	Percentage variance	Actual	Budget	Variance to date	Percentage variance	Actual	Budget	Variance to date	Percentage variance
	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17	Dec-17
Levies	-	502,500.00	(502,500.00)	0%	1,432,110	1,508,500	76,390	5%	1,432,110	2,011,000	578,890	29%
Grant income	551,104.85	-	551,104.85	0%	49,881,105	48,568,000	(1,313,105)	0%	49,881,105	48,568,000	(1,313,105)	-3%
Interest	114,658.18	137,500.00	(22,841.82)	-20%	577,195	1,237,500	660,305	53%	577,195	1,650,000	1,072,805	65%
Other income	1,250.00	-	1,250.00	0%	14,675	-	(14,675)	0%	14,675	-	(14,675)	0%
Total Income	667,013.03	640,000.00	27,013.03	4%	51,905,084.32	51,314,000.00	(591,084.32)	-1.2%	51,905,084.32	52,229,000.00	323,915.68	1%
Programme												
Administration	3,899,533	3,618,888	-280,645	-8%	29,430,598.92	31,483,503.00	2,052,904	7%	29,430,598.92	42,759,865.00	13,329,266	31%
Skills for Infrastructure Delivery	1,589,254	502,700	-1,086,554	-216%	3,808,526.81	6,480,400.00	2,671,873	41%	3,808,526.81	7,147,421.00	3,338,894	47%
BE Research, Information and Advisory	92,491	199,125	106,634	54%	364,975.56	552,750.00	187,774	34%	364,975.56	647,000.00	282,024	44%
Regulation and Oversight of six BEPCs	-	236,250	236,250	0%	563,750.86	943,750.00	379,999	40%	563,750.86	1,214,627.00	650,876	54%
Government Policies and Priorities	-	103,500	103,500	0%	-	254,500.00	254,500	100%	-	406,000.00	406,000	100%
Total Expenditure	5,581,278.08	4,660,463.00	-920,815.08	-16%	34,167,852.15	39,714,903.00	5,547,050.85	16%	34,167,852.15	52,174,913.00	18,007,060.85	35%
Net Surplus/(Deficit)	-4,914,265.05	-4,020,463.00	893,802	-22%	17,737,232.17	11,599,097.00	-6,138,135	-53%	17,737,232.17	54,087.00	-17,683,145	-32694%

Explanations for significant deviations:

1. Revenue

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

The favourable variance for the month is due to the additional grant funding received from CETA on a project. Unfavourable variances have been noted in interest and CBEP' levies. The under-collection of levies relate to the timing i.e. receipt of the funds which will occur after month-end. The under-collection of interest on the investment account is because the budgeted funds were spent and no surplus funds were retained from the prior year.

2. Expenses

2.1 Administration

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

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

The variance of 7% is mainly due to a delay in the appointment of the CEO, as well as the protracted office signage project.

The first payment to Government Technical Advisory Committee (GTAC) has also been budgeted for. The other line items that contribute to the favourable variance are consulting fees for the CEO and Secretariat. There is a saving under computer expenses which will be utilised now that budget has been made available.

2.2 Skills for infrastructure delivery

There is a variance of 41% which is due to the under expenditure of budget in the following account groups:

architecture • engineering • landscape architecture • project & construction management • property valuation • quantity surveying



2.2.1 Structured Candidacy: The timing of mentorship costs, including travel for the structured candidacy project results in a favourable variance. This expense will be incurred in the fourth quarter. The month's expenditure exceeded budget as the outstanding invoices are received for processing

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

2.3 BE Research, Information and Advisory

There is a favourable variance of 34% which is mainly due to expenditure being funded by the prior year's commitment.

2.4 Regulation and Oversight

There was a 40% under expenditure due to consulting fees for the identification of work which has not been incurred. The timing of the budgeted costs cannot be determined reliably due to the nature of the Programme.

2.5 Government policies and priorities

The 100% under expenditure relates to work planned to be performed by consultants. The consultants have not been appointed due to difficulty in sourcing the services required. However, the alternative route to collaborate with higher education institutions is making good progress and is more economical.



PART E
**HUMAN RESOURCE
EXCEPTION REPORT**



Recruitment and Selection

The Chief Executive Officer was appointed in October 2017.

The Transformation Co-ordinator recruitment was finalised and an offer made for assumption of duty in February 2018.

The COO and Skills Development Manager positions became vacant and have been advertised.

Shortlisting sessions were held for the COO and CFO positions. Two day interviews have also been scheduled to take place in the third week of January 2018.

Staff Movement

Three temporary assignments were appointed in the Finance Department and Facilities unit. One resignation was received from the Skills Development Department.

Table 9: Employee Statistics

October 2017										
Permanent Employees:										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
17	7	2	1	3	3	1	1	23	12	35
Fixed Term Employees:										
0	0	0	0	0	0	0	0	0	0	0
November 2017										
Permanent Employees:										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
17	7	2	1	3	3	1	1	23	12	35
Fixed Term Employees:										
0	0	0	0	0	0	0	0	0	0	0
December 2017										

Permanent Employees:										
African		Asians/Indians		Whites		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
17	7	2	1	3	3	1	1	23	12	35
Fixed Term Employees:										
0	0	0	0	0	0	0	0	0	0	0

Staff Turnover:

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

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

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

Table 10: Racial and Gender Equity

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

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

Employee Relations

One grievance hearing was finalised in November 2017. The parties have been given the opportunity to respond to the findings.



One disciplinary case was finalised in December 2017. The employee resigned during the disciplinary process.

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

Meetings were held with the Union Representatives to finalise the policy reviews. The final document has been submitted for Council approval.

Performance Management and Development

The Moderation Committee met to conclude the recommendations for payment of performance related incentives. The recommendation is scheduled to be tabled at the FHLC in February 2018.

Employee Leave

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

Table 11: Employee Leave

Type of leave	October 17		November 17		December 17		TOTAL	
	Employees	Days	Employees	Days	Employees	Days	Employees	Days
Annual Leave	16	75	10	23	18	87	29	185
Sick Leave	5	15	3	40	2	2	8	57
Family Responsibility	0	0	0	0	0	0	0	0
Unpaid leave	0	0	0	0	0	0	0	0
Study leave	0	0	0	0	0	0	4	17
Maternity Leave	0	0	0	0	0	0	0	0
Paternity leave	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0

Absenteeism is benchmarked at a 4% industry average. A total of 57 unplanned person-days were lost during the quarter resulting in above average absenteeism rate of 2.51%.



Table 12: Absenteeism rate

October 17												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	UL	Total Person days lost	Total Staff Complement	Absenteeism %
16	75	5	15	0	0	0	0	0	0	15	35	1.98%
November 17												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	UL	Total Person days lost	Total Staff Complement	Absenteeism %
10	23	3	40	0	0	0	0	0	0	40	35	5.28%
December 17												
#Empl	AL	#Empl	SL1	#Empl	FRL	#Empl	SL2	#Empl	UL	Total Person days lost	Total Staff Complement	Absenteeism %
18	87	2	2	0	0	0	0	0	0	2	35	0.26%
Total for the period under review												
29	185	8	57	0	0	0	0	0	0	57	35	2.51%

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

