



Annual Report

2017/18



C | B | E

COUNCIL
FOR THE BUILT
ENVIRONMENT

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



COUNCIL FOR THE BUILT ENVIRONMENT

ANNUAL REPORT

2017/18

TABLE OF CONTENTS

PART A: GENERAL INFORMATION	1
1. GENERAL INFORMATION	2
2. LIST OF ABBREVIATIONS/ACRONYMS/DEFINITIONS.....	3
3. FOREWORD BY THE MINISTER OF PUBLIC WORKS	6
4. FOREWORD BY THE CHAIRPERSON OF THE COUNCIL FOR THE BUILT ENVIRONMENT	7
5. CHIEF EXECUTIVE OFFICER'S OVERVIEW	9
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	12
7. STRATEGIC OVERVIEW	13
7.1 Vision.....	13
7.2 Mission.....	13
7.3 Values.....	13
8. LEGISLATIVE AND OTHER MANDATES	14
9. ORGANISATIONAL STRUCTURE	18
10. STAKEHOLDER RELATIONSHIPS	19
PART B: PERFORMANCE INFORMATION.....	23
1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES.....	24
2. SITUATIONAL ANALYSIS.....	24
2.1 Service Delivery Environment.....	24
2.2 Organisational Environment.....	25
2.3 Strategic Outcome Oriented Goals.....	25
3. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE.....	28
3.1 Programme 1: Administration.....	29
3.2 Programme 2: Skills for Infrastructure Delivery	31
3.3 Programme 3: Built Environment Research, Information and Advisory.....	37
3.4 Programme 4: Regulation and Oversight of six BEPCs	43
3.5 Programme 5: Government Policies and Priorities.....	50
4. SUMMARY OF FINANCIAL INFORMATION	54
4.1 Revenue Collection.....	54
4.1.1 Government Grant from DPW	54
4.1.2 Levies Received	54
4.1.3 Interest Income	54
4.1.4 Other Operating Income.....	54
4.2 Programme Expenditure	55
4.3 Capital Investment	56
PART C: GOVERNANCE	57
1. INTRODUCTION	58
2. EXECUTIVE AUTHORITY	58

3.	THE ACCOUNTING AUTHORITY / COUNCIL	58
3.1	Introduction.....	58
3.2	The Role of Council.....	59
3.3	The Composition of Council.....	60
3.4	Council Meetings.....	60
3.5	Council Committees.....	68
3.5.1	Statutory Committees	68
3.5.2	Other Committees	70
3.5.2.1	Finance, Human Resources and Legal Committee.....	70
3.5.2.2	Built Environment Matters Committee	72
3.6	Council Remuneration	75
4.	RISK MANAGEMENT	76
5.	INTERNAL CONTROL UNIT	76
6.	INTERNAL AUDIT AND AUDIT COMMITTEES	76
7.	COMPLIANCE WITH LAWS AND REGULATIONS.....	78
8.	FRAUD AND CORRUPTION	78
9.	MINIMISING CONFLICT OF INTEREST	79
10.	CODE OF CONDUCT.....	79
11.	HEALTH, SAFETY AND ENVIRONMENTAL ISSUES.....	79
12.	COMPANY SECRETARY	79
13.	SOCIAL RESPONSIBILITY	79
14.	AUDIT AND RISK COMMITTEE REPORT	80

PART D: HUMAN RESOURCE MANAGEMENT 83

1.	INTRODUCTION.....	84
2.	HUMAN RESOURCE OVERSIGHT STATISTICS.....	85

PART E: FINANCIAL INFORMATION..... 89

1.	REPORT OF THE EXTERNAL AUDITOR	90
2.	ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL.....	95
3.	ANNUAL FINANCIAL STATEMENT	96

PART F: COUNCILS FOR THE BUILT ENVIRONMENT PROFESSIONS 143

1.	INTRODUCTION.....	144
2.	LEGISLATIVE AND REGULATORY FRAMEWORK OF THE BUILT ENVIRONMENT PROFESSION.....	144
3.	HUMAN RESOURCE DEVELOPMENT	145
4.	AGREEMENTS AND PARTNERSHIPS	162
5.	PROTECTING PUBLIC INTEREST.....	164
6.	SUSTAINABLE AND INTEGRATED DEVELOPMENT.....	168

LIST OF TABLES

Table 1: Other Legislative Mandates	16
Table 2: Exhibition participation for 2017/18.....	19
Table 3: Conferences and speaking platforms.....	20
Table 4: Media engagements.....	22
Table 5: Strategic outcome oriented goal 1	25
Table 6: Strategic outcome oriented goal 2.....	26
Table 7: Strategic outcome oriented goal 3.....	26
Table 8: Strategic outcome oriented goal 4.....	27
Table 9: Strategic outcome oriented goal 5.....	27
Table 10: Programme 1: Strategic objectives, performance indicators, planned targets and actual achievements.....	30
Table 11: Programme 1: Key performance indicators, planned targets and actual achievements.....	30
Table 12: Programme 1: Linking performance with budget	31
Table 13: Programme 2: Strategic objectives, performance indicators, planned targets and actual achievements.....	34
Table 14: Programme 2: Key performance indicators, planned targets and actual achievements.....	35
Table 15: Programme 2: Linking performance with budgets.....	36
Table 16: Programme 3: Strategic objectives, performance indicators, planned targets and actual achievements.....	42
Table 17: Programme 3: Key performance indicators, planned targets and actual achievements.....	42
Table 18: Programme 3: Linking performance with budgets	43
Table 19: Programme 4: Strategic objectives, planned targets and actual achievements	46
Table 20: Programme 4: Key performance indicators, planned targets and actual achievements.....	47
Table 21: Programme 4: Linking performance with budgets	49
Table 22: Implementation plan to incorporate health and safety, sustainability, labour intensive construction and IDMS into BE curricula	50
Table 23: Programme 5: Strategic objectives, performance indicators, planned targets and actual achievements.....	52
Table 24: Programme 5: Key performance indicators, planned targets and actual achievements.....	52
Table 25: Programme 5: Linking performance with budget	53
Table 26: Sources of Revenue	54
Table 27: Expenditure per Programme	55
Table 28: Infrastructure projects.....	56
Table 29: Fourth Term of Office Council	62
Table 30: Committees' composition and meetings.....	74
Table 31: Council Remuneration.....	75
Table 32: Fourth Term of Office Council remuneration	75
Table 33: Disclosure of ARC members.....	78
Table 34: Personnel Cost by programme/activity/objective	85
Table 35: Personnel Cost by Salary Band.....	85
Table 36: Performance Rewards	86

Table 37: Training Costs.....	86
Table 38: Employment and vacancies per Programme	86
Table 39: Employment and vacancies per level	87
Table 40: Employment changes	87
Table 41: Reasons for staff leaving	88
Table 42: Labour Relations: Misconduct and disciplinary action.....	88
Table 43: Equity Target and Employment Equity Status.....	88
Table 44: ECSA's total registered professionals by registration category	145
Table 45: SACPCMP's total registered professionals by registration category	146
Table 46: SACAP's total registered professionals by registration category.....	146
Table 47: SACLAP's total registered professionals by registration category.....	147
Table 48: SACQSP's total registered professionals by category.....	147
Table 49: SACPVP's total registered professionals by category	147
Table 50: Gender representation in the CBEP	148
Table 51: Total number of registered professionals by the six CBEP	148
Table 52: ECSA's total registered candidates	148
Table 53: SACAP's total registered candidates	149
Table 54: SACQSP's total registered candidates	149
Table 55: SACPCMP's total registered candidates.....	149
Table 56: SACLAP's total registered candidates	150
Table 57: SACPVP's total registered candidates.....	150
Table 58: Total number of registered candidates.....	150
Table 59: Total number of registered candidates by gender.....	151
Table 60: Total number of registered professionals and candidates.....	151
Table 61: ECSA's accreditation visits	152
Table 62: Institutions with BE programmes and their accreditation status.....	153
Table 63: RPL applications.....	161
Table 64: Percentage of registered professionals who comply with CPD requirements.....	162
Table 65: International accords and organisations that govern BE qualifications.....	164
Table 66: Total number of complaints received and completed.....	167
Table 67: Number of VAs recognised by the CBEP	170

The Council for the Built Environment (CBE) is a statutory body that has been in existence since the enactment of the Council for the Built Environment Act No. 43 of 2000 in 2000. It is an entity of the National Department of Public Works (DPW). The CBE is essentially responsible for regulating the following built environment professions in South Africa - Architecture, Engineering, Landscape Architecture, Project and Construction Management, Property Valuation and Quantity Surveying. The CBE is mandated to regulate and ensure consistent application of policies by the Councils for Built Environment Professionals (CBEP).

The CBE is entrusted with powers and duties to:

- Provide advice and consultation on national policy that could impact on the built environment and human resource development in relation to the built environment professions mentioned above.
- Advise the professional councils on matters of national importance where the needs of the State require joint and coordinated action by the built environment professions.



PART A: GENERAL INFORMATION

1. GENERAL INFORMATION

Registered Name:	COUNCIL FOR THE BUILT ENVIRONMENT
Physical Address:	Corobay Corner 2 nd Floor, Block A 169 Corobay Avenue Menlyn Pretoria
Postal Address:	P O Box 915 Groenkloof 0027
Telephone Number/s:	+27 (0) 12 346 3985 / +27 (0) 87 980 5009
Fax Number:	+27 (0) 12 346 3986
Email:	registrar@cbe.co.za / info@cbe.org.za
Website:	www.cbe.org.za
External Auditor:	Auditor-General of South Africa
Banker:	Standard Bank
Company Secretary:	Advocate Pieter Fourie

2. LIST OF ABBREVIATIONS/ACRONYMS/DEFINITIONS

Act	The CBE Act 43 of 2000
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
BE	Built Environment
BEP/s	Built Environment Profession/s
CARINBE	Centre for Applied Research and Innovation in the Built Environment
CBE	Council for the Built Environment
CBEP	Councils for the Built Environment Professions
CC	Competition Commission
CEO	chief executive officer
CFO	chief financial officer
CHE	Council on Higher Education
CHS	Construction Health and Safety
CM	Candidate Construction Manager
COO	chief operations officer
Council	Accounting Authority of CBE
CPD	Continuous Professional Development
DHET	Department of Higher Education and Training
DHS	Department of Housing Settlements
DPW	Department of Public Works
DPSA	Department of Public Service and Administration
DUT	Durban University of Technology
GRAP	General Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
HDI	historically disadvantaged individual
HEQC	Higher Education Quality Council
HR	human resources
ICT	Information Communications Technology

IDMS	Infrastructure Delivery Management System
IDoW	Identification of Work
IT	information technology
Minister	Minister of Public Works
MoA	memorandum of agreement
MoU	memorandum of understanding
MTSF	Medium Term Strategic Framework
NGO	non-governmental organisation
NHBRC	National Home-Builders' Registration Council
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
RECE	Rural Empowerment Career Exhibitions
RP's	Registered Persons
SCM	Supply Chain Management
SIPDM	Standards for Infrastructure Procurement and Delivery Management
SIPs	Strategic Infrastructure Projects
SOE's	state-owned enterprises
ToR	Terms of Reference
UJ	University of Johannesburg
UoT	University of Technology
VA	Voluntary Association
WIL	Work Integrated Learning

Definitions

Candidate	A graduate who requires workplace training to enable him/her to register as a fully-fledged BE professional with the council of the profession concerned.
Council	The CBE is led by a Council which is the accounting authority of the entity.
IDoW (Identification of Work)	Work that is ring fenced, only to be undertaken by suitably qualified and registered professionals within the South African BE categories.
Intern	An undergraduate studying at a university of technology, who requires workplace training to complete his/her academic qualifications.
Professional	A person registered as such in terms of an act of a council for a profession, and has met all educational and training requirements set by the council concerned.
Registered Person	A person registered by a council for the professions in the category of professional or candidate or in another specified category.

Committees of Council

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

CBE's APP 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 Councils for the Built Environment Professions
Programme 5	Government Policies and Priorities

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
SACPVP	South African Council for the Property Valuers Profession
SACPCMP	South African Council for the Project and Construction Management Professions
SACQSP	South African Council for the Quantity Surveying Profession

3. FOREWORD BY THE MINISTER OF PUBLIC WORKS



It is a pleasure to present the 2017/18 Annual Report of the Council for the Built Environment (CBE), a public entity of the Department of Public Works (DPW).

On the issue of building skills and capability in the built environment, addressing the shortage of technical skills and transformation remains a challenge. I am, however, encouraged by the collaboration and continuous engagement that all parties continue to demonstrate in skills development and capacitation of the State. The engagements on CBE's structured candidacy programme at provincial level provides me with great comfort that Public Works provincial government and the built environment sector can play a leading role in addressing skills development challenges and promoting human resource development in the construction sector. The CBE has also collaborated with universities of technology (UoTs) to place built environment (BE) students in industry (host work places) to complete work integrated learning (WIL), a mandatory practical component, in order to graduate with a National Diploma. The tertiary institutions, employers and professional bodies all have a role

to play in ensuring the continued growth and the maintenance of standards within the built environment professions in South Africa.

Building global, regional, and national trust in South Africa's built environment professional services requires well-functioning, internationally recognised built environment professions.

In the coming financial year, DPW will continue to work with CBE and the Councils for the Built Environment Professions (CBEP) to open up the skills pipeline for scarce skills, to expedite technical development programmes, focus on high school learners, tertiary learners and departmental officials through the establishment of the Public Works academy. This will ensure that all training programmes are South African Qualifications Authority (SAQA) accredited, integrated and aligned with professional councils.

On the issue of governance, I am encouraged by the effort of the CBE to address governance issues and the development of annual performance plans in some councils for the professions. A functioning public sector will enable us to reap the benefits of our Constitution and progressive social policies. A key element of this work will see us ensuring regulatory compliance in the CBE and the six CBEP. Addressing and promoting ethical values and getting to the root cause of corruption will also be our focus. It is my firm expectation that the CBE and six CBEP will always enhance integrity, financial prudence and make every effort to expose and fight corruption and the mismanagement of public funds.

I would like to commend the CBE, once more for obtaining clean audit outcomes for the 2016/17 and 2017/18 financial years, by submitting financial statements that were free of material misstatements and for complying with all relevant legislation.

The term of the current Council ended on 31 July 2018 and a new Council will be inaugurated in the coming months. I would like to extend my gratitude to the Fourth Term of Office Council members for their hard work and dedication in carrying out the CBE's mandate. I also wish the incoming council members all the best for the journey ahead. I am confident that the new council will propel the organisation to even greater heights, making an indelible mark in improving the quality of life of our people. The CBE must continue to review its strategy and operating model to ensure that its governance, skills development and transformation initiatives in the built environment are geared towards maximising its impact and to play an appropriate role in contributing to building a development state.

My special thanks go to the Portfolio Committee on Public Works, for their continued support for the work of the department, the CBE and other entities within the Ministry of Public Works.

A stylized, handwritten signature in black ink, likely belonging to Mr TW Nxesi.

Mr TW Nxesi (MP)

Minister of Public Works

Date: 30 August 2018

4. FOREWORD BY THE CHAIRPERSON OF THE COUNCIL FOR THE BUILT ENVIRONMENT



This annual report is intended to offer an effective summary of the CBE's performance over the last year, looking at the areas where our performance has been strong, those areas which have presented challenges, and those where we expect to make improvements to the services we offer over the coming year.

Over the last year we have been building our executive team under the strategic mentorship of the Council. Our executives have stepped up to the challenge and are already making a significant contribution towards improving the standard of services we provide for in the built environment sector. We are continuing to build organisational capacity and capability, and the CBE is emerging as a more capable organisation than ever before.

The CBE, through its Skills Development and Transformation units, continues to engage with the relevant stakeholders – especially trainees, students and educators – to encourage more people to join and remain in the six Councils for the Built Environment Professions (CBEP).

During the year under review, the Council continued to focus on facilitating skills development and transformation within the built environment through implementing initiatives such as the structured workplace training programme for candidates, a work integrated learning programme for interns and introducing CBE's structured candidacy framework in infrastructure departments.

The Council also provided support to school learners to improve their performance in Maths and Science subjects through partnerships with stakeholders - Central University of Technology Innovation Services (CUTis) and COEGA Development Corporation who offer similar Maths and Science programmes. The aim of this programme is to increase the pool of grade 12 learners who could potentially enrol in built environment tertiary studies.

The CBE successfully held its first annual Transformation Indaba on 29 August 2017 at the CSIR ICC in Pretoria, Gauteng with the theme ***Empowering the Nation***. The main objectives of the Indaba were to gauge the current status of transformation; to provide a platform for collaboration and sharing of knowledge among academia, the public and private sectors; to interrogate challenges and propose possible recommendations/solutions from multi-dimensional perspectives; and to track the progress of transformation in the South African built environment year-on-year. In addition to the rich debates and sharing of insights and knowledge, the event also managed to cement the commitment of these stakeholders through the signing of a "declaration of intent", which details a commitment to collaborate and actively participate in transformation interventions within the built environment.

Regarding issues of health and safety in the built environment, the CBE in collaboration with the Department of Labour (DoL) and the South African Council for Project and Construction Management Professions (SACPCMP), convened a round table Health and Safety Think Tank under the theme ***Sustainable Health and Safety Compliance*** on 25 May 2018. It was a platform for open and active debate to utilise the diverse expertise around the table to develop a plan of action to address health and safety issues in the built environment fraternity.

We have, of course, been challenged in some areas which we are now working on to improve. Corporate Governance, disputes relating to appointments of Council members and the development of business plans in some councils for the professions proved to be particularly challenging, although a great deal of work is ongoing to improve in these areas. A key element of this work will see us implementing the Corporate Governance Framework, developed in the year under review.

The CBE is committed to delivering on its mandate to promote and protect the interest of the public in the built environment, while recognising the need to be responsive to the needs of its stakeholders.

I wish to thank my fellow Council members, the Chief Executive Officer, and the executives and staff of the CBE for their valuable contribution and support during the year. May we continue to steer the CBE in the right direction, as it has been entrusted to us by the Minister of Public Works. This has been the final year of the fourth term of office Council, and it has been a pleasure serving in both capacities as Council member and Chairperson.

The CBE will continue striving to maintain standards par excellence in delivering our mandate to serve and protect the interests of the public and supporting the Councils for the Built Environment Professions.



Isaac Mzumara Nkosi

Chairperson: Council for the Built Environment

31 May 2018

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW



This report has been prepared in accordance with the National Treasury Framework, the Public Finance Management Act (PFMA), the Council for the Built Environment Act 43 of 2000 (the Act) and the King IV Report on Corporate Governance. The report provides a comprehensive overview of the activities of the Council for the Built Environment (CBE) as well as its financial and non-financial performance for the period 1 April 2017 to 31 March 2018. The report also gives a detailed overview of the CBE strategy, all financial and non-financial matters considered to be material for stakeholders to make an informed assessment of the CBE's performance. During the period under review, CBE focused its efforts on strengthening governance structures through the review of policies, procedures and information technology (IT) systems. The CBE achieved 90% of its targets, while 10% were not achieved.

The highlights for the year were the following:

- A clean audit for the 2016/17 and 2017/18 financial years.
- It is required of government institutions to comply with the Department of Public Service and Administration's (DP-SA's) Information Communications Technology (ICT) Governance Framework. The CBE had its ICT Governance Framework, with its priority areas, approved and subsequently implemented the two phases of the Framework. The ICT Strategic Plan was approved and the 2017/18 key deliverables have been implemented.
- Two categories of high demand professions' implementation plans for Landscape Architects and Property Valuers were developed with the support of academics from the University of Johannesburg (UJ).
- 152 Interns were placed in work integrated learning.
- One oversight report was developed on the accreditation of BE Academic Programmes by the Councils for the Built Environment Professions (CBEP).
- Nine Public Works Provincial Departments were engaged on the implementation of the CBE Structured Candidacy Framework.
- The final report on the state of readiness of municipalities to implement the Standards for Infrastructure Procurement and Delivery Management (SIPDM) was developed. The findings and recommendations of the report will be submitted to stakeholders in the form of an advisory report.
- CBE's revised Corporate Governance Framework with the King IV Principles of Governance was developed and approved by Council on 8 March 2018, following a recommendation by the Built Environment Matters Committee (BEMC).
- A detailed report with recommendations on the best practice for transformation, based on research findings was completed.
- The CBE established IT Shared Service partnerships with two CBEP (the South African Council for the Landscape Architectural Profession [SACLAP] and the South African Council for the Property Valuers Profession [SACPVP]) to assist them with their IT Services and Projects through Memoranda of Understanding (MoU). The remaining CBEP will be on board in the 2018/19 financial year.
- On 7 February 2018, CBE concluded a MoU with the Walter Sisulu University in the Eastern Cape on the placement of their BE students for internship training with host employers.
- CBE's Transformation Road Shows began with the KwaZulu-Natal Department of Public Works on 27 February 2018 and the Eastern Cape Department of Roads and Public Works on 23 March 2018.

- A successful Wellness Day was held on the World Aids Day, commemorated on 01 December 2017 to promote staff wellness. Amongst the activities for the day was a presentation on the services available in the wellness programme, demonstration of a nutritional lunchbox and health wellness screening for conditions such as diabetes and HIV.

General financial review of the reporting period

The total revenue generated amounted to R52.435 million. The Department of Public Works (DPW) allocated R48.568 million to CBE, while the remaining funds were contributed by funders and generated through levies. The Council also receives a levy income from the CBEP who contribute R2.120 million for professionals and candidates registered with them. Other sources of funding were the operating income of R0.926 million and interest of R0.821 million.

The CBE utilises the grant allocation to deliver on its planned projects as per the annual performance plan, as well as priority projects which may be identified during the year. The total budgeted expenditure for the year was R52.206 million. The actual financial performance of the CBE resulted in a surplus of R1.309 million for the year. The detailed financial performance is outlined in the annual financial statements for the 2017/18 financial year.

The total actual expenditure incurred for the financial year amounted to R51.126 million (97.9% spent), against the budgeted expenditure of R52.206 million. The favourable variance of R1.08 million is due to the following expenditure items:

1. Savings as a result of conducting appeals internally instead of sourcing consultants
2. Funds, ring-fenced for the Competition Commission appeal, that were not utilised during the year
3. ICT infrastructure spending of R0.578 million funded by approved surplus funds

National Treasury issued an Instruction Note in May 2017 on the application for surplus funds, which stipulates that commitments must be deducted from the current year surplus. This has resulted in the CBE having a surplus of R0.146 million for the current financial year.

As a result of the under-expenditure in Programme 1, there was a favourable variance of R0.272 million or 0.65%.

In Programme 2, there was a favourable variance of R0.645 million (8.18%). This was due to savings in travel and the delay in appointing mentors.

Programme 3 had an unfavourable variance of R0.127 million (21%). The over expenditure was due to a request from the Minister for a CBE official in the DPW delegation to Cuba.

Programme 4 had a favourable variance of R0.180 million (34.55%), due to funds that were ring-fenced for the appeal of the Competition Commission (CC) case.

Programme 5 had a favourable variance as savings were realised due to partnerships with tertiary institutions.

Capacity Constraints and Challenges

The organisation has challenges with operationalising its mandate, which affects its impact (or lack thereof) upon its stakeholders. Through the support of the Government Technical Advisory Centre (GTAC), there is confidence that CBE will strengthen its capacity to focus on its core mandate and thus achieve greater impact within the built environment sector.

Requests for Rollover of Funds

The CBE utilised all of its prior year funds and therefore did not apply for the roll-over of any surplus funds. A request for current year surplus of R0.146 million will be made to National Treasury.

Supply Chain Management

There were no unsolicited bids received during the year under review.

The supply chain management (SCM) policy was revised to ensure compliance with the latest developments and instruction notes from National Treasury on cost cutting measures and enhancing and monitoring performance.

Three incidents of irregular expenditure were identified during the year. Two incidents related to contracts which exceeded the 15% contract extension threshold. The third incident related to a contract which did not agree to the quoted price. A revision of control measures regarding contract management is currently underway.

Audit Report on Matters from the Previous Year

During the year under review, the CBE's audit finding matrix monitored and tracked the implementation of recommendations made by the Auditor-General South Africa (AGSA) and the internal auditors. The Audit and Risk Committee (ARC) reviewed and recommended the matrix for approval. The repeat audit issues on ICT governance and ICT security controls were the drivers for the additional spend on ICT infrastructure upgrades.

Outlook/ Plans for the future to address Financial Challenges

The CBE finds itself under severe funding constraints to meet all of its planned objectives, which did not allow for all of the ICT infrastructure to be upgraded. As a result, upgrades were undertaken on higher risk infrastructure.

The CBE is working towards strengthening partnerships through a well coordinated stakeholder management plan to leverage resources and coordinate transformation interventions within the built environment.

Events after the Reporting Date

No significant events occurred after the reporting date.

Economic Viability

A Government Grant and levies from the six CBEP, who depend solely on registration fees from their professionals, sustain the CBE.

Acknowledgement

I acknowledge, with gratitude, the guidance received from the CBE Council - the Chairperson, Deputy Chairperson and the various Committees of Council. I would also like to thank the Minister and Deputy Minister of Department of Public Works, and the Public Works Portfolio Committee for their mentorship and encouragement.

My final thank you goes out to all CBE staff for their hard work and dedication during the period under review.



Priscilla Mdlalose

Chief Executive Officer

31 May 2018

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, we confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa.

The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines issued by National Treasury.

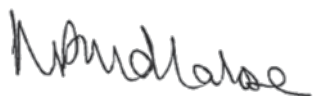
The Annual Financial Statements (Part E) has been prepared in accordance with the General Recognised Accounting Practice (GRAP) standards, applicable to a public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control, designed to provide reasonable assurance on the integrity and reliability of the performance information, human resources information and the annual financial statements.

The external auditors were engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report reflects the operations, performance information, human resources information and the financial affairs of the CBE fairly for the financial year ended 31 March 2018.



Priscilla Mdlalose

Chief Executive Officer

31 May 2018

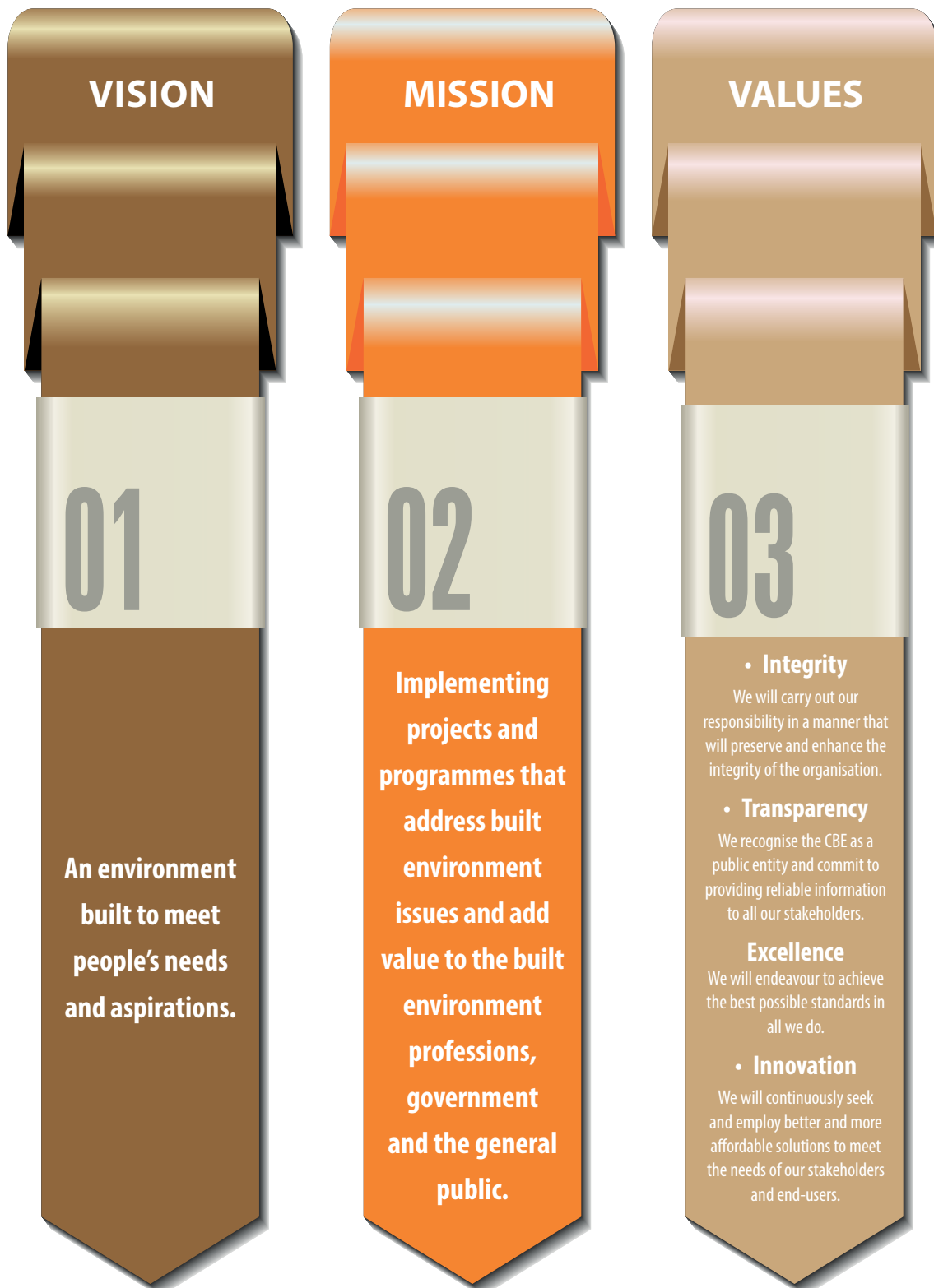


Isaac Mzumara Nkosi

Chairperson: Council for the Built Environment

31 May 2018

7. STRATEGIC OVERVIEW



8. LEGISLATIVE AND OTHER MANDATES

8.1 Objectives

The objectives of the CBE as per section 3 of the CBE Act 43 of 2000 (the CBE Act), are to:

1. Promote and protect the interest of the public in the built environment;
2. Promote and maintain a sustainable built environment and natural environment;
3. Promote ongoing human resources development in the built environment;
4. Facilitate participation by the built environment professions in integrated development in the context of national goals;
5. Promote appropriate standards of health, safety and environmental protection within the built environment;
6. Promote sound governance of the built environment professions;
7. Promote liaison in the field of training in the Republic and elsewhere and to promote the standards of such training in the Republic;
8. Serve as a forum where the built environment professions can discuss relevant issues; and
9. Ensure uniform application of norms and guidelines set by the councils for the professions throughout the built environment.

8.2 Functions, Powers and Duties of the Council (section 4 of the CBE Act 43 of 2000)

The council may:

- (a) advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;
- (b) Communicate to the Minister¹ information on matters of public importance acquired by the council in the course of the performance of its functions under this Act;
- (c) Make recommendations to the Minister on the composition, functions, assets, rights, employees or financing of the council;
- (d) Advise the Minister with regard to the amendment of this Act, if necessary, in order to support the norms and values of the built environment professions;
- (e) Facilitate inter-ministerial co-operation concerning issues relating to the built environment;
- (f) 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;
- (g) Comment, if necessary, on all proposed legislation impacting on health and safety in the built environment;
- (h) Direct communication from the Minister or the relevant Minister to the councils for the professions;
- (i) Advise the councils for the professions on matters of national importance where the needs of the State, as communicated to the council through the relevant Minister, require joint and co-ordinated action by the built environment professions;

¹ Minister of Public Works

- (j) Coordinate the establishment of mechanisms for professionals to gain international recognition;
- (k) Ensure the consistent application of policy by the councils for the professions with regard to:
 - (i) Accreditation;
 - (ii) The registration of different categories of registered persons;
 - (iii) Key elements of competence testing of registered persons;
 - (iv) Codes of conduct to be prescribed by the councils for the professions;
 - (v) the principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition;
- (vi) Standards of health, safety and environmental protection within the built environment;
- (vii) The recognition of voluntary associations for the built environment professions, by approving the framework for that recognition submitted by the councils for the professions, taking due cognisance of the characteristics of each built environment profession;
- (l) Investigate or initiate investigations into matters pertaining to its functions and policies with regard to the built environment and, if necessary, recommend legislation in this regard;
- (m) Act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions;
- (n) In consultation with councils for the professions, obtain recognition for the councils for the professions as bodies responsible for the establishment of education and training standards in terms of the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995);
- (o) Ensure the consistent application of policy throughout the built environment by encouraging coordination between the councils for the professions;
- (p) Promote coordination between the Council on Higher Education and the councils for the professions in relation to the accreditation of education institutions;
- (q) Liaise with the Competition Commission, established in terms of the Competition Act, 1998 (Act No. 89 of 1998), on behalf of the councils for the professions regarding the identification of work for the built environment professions;
- (r) Review fees published by the councils for the professions to ensure the consistent application of the principles regarding such fees;
- (s) Charge:
 - (i) Membership fees in the prescribed manner from the councils for the professions, calculated pro rata to the number of persons registered with that council;
 - (ii) Fees payable for appeals in terms of section 21; and
 - (iii) Any other fee it considers necessary;
- (t) Institute legal proceedings to recover all outstanding membership fees payable under this Act;

- (u) Consider proposals from the councils for the professions with regard to the determination of policy contemplated in paragraph (k);
- (v) Receive and assimilate the annual reports of the councils for the professions and submit a summary to the Minister;
- (w) Purchase, hire or otherwise acquire or dispose of property, borrow money on the security of the assets of the council or accept and administer any trust or donation;
- (x) Subject to this Act, approve standing orders for the regulation of its proceedings and of all other matters relating to the management, powers and duties of the council;
- (y) Perform such functions as may be prescribed; and
- (z) Generally, do all such things as the council deems necessary or expedient to achieve the objectives of this Act.

8.3 Other Legislative Mandates

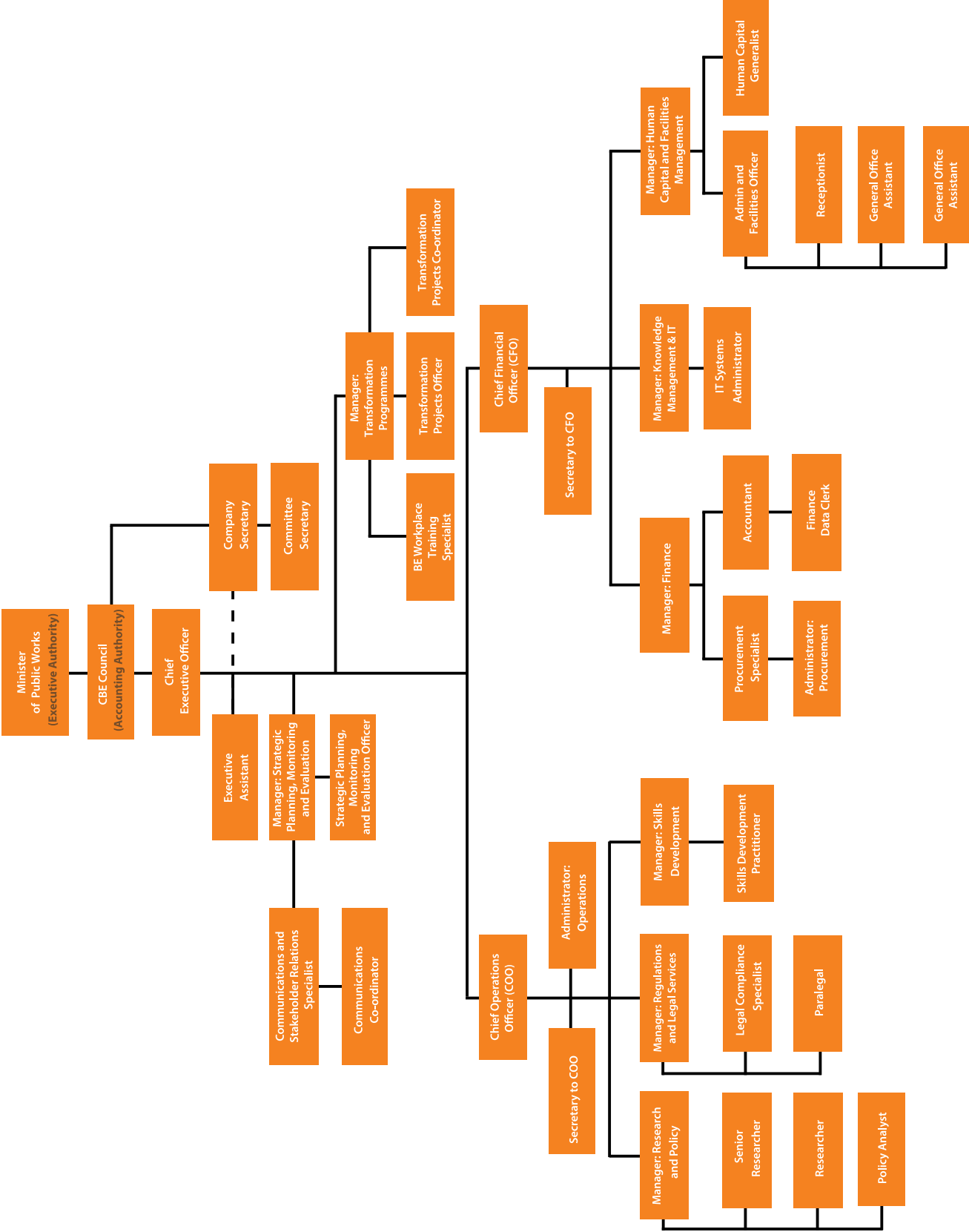
The scope of the CBE and councils for the professions in the BE value chain is to regulate those BEPs who conceptualise, design, build, maintain and transfer social and economic infrastructure. The CBE executes its mandate derived from the CBE Act 43 of 2000 (the Act), whilst also mindful of the following legislations, regulations and policies:

Table 1: Other Legislative Mandates

Short title of the Act	Purpose of the Act
Republic of South Africa Constitution, 1996	The Constitution is the supreme law of the land. No other law or government action can supersede the provisions of the Constitution.
Consumer Protection Act, 2011	To promote a fair, accessible and sustainable marketplace for the consumer.
Construction Industry Development Board Act, 2000	To provide for the establishment of the Construction Industry Development Board; and matters incidental thereto.
Council for the Built Environment Act, 2000	To provide for the establishment of the Council for the Built Environment and matters incidental thereto.
Architectural Profession Act, 2000	To provide for the establishment of the Council for the Architectural Profession and matters incidental thereto.
Landscape Architectural Professional Act, 2000	To provide for the establishment of the Council for the Landscape Architectural Profession and matters incidental thereto.
Engineering Profession Act of South Africa, 2000	To provide for the establishment of the Engineering Council of South Africa and matters incidental thereto.
Project and Construction Management Professions Act, 2000	To provide for the establishment of the Council for the Project and Construction Management Professions and matters incidental thereto.
Quantity Surveying Profession Act, 2000	To provide for the establishment of the Council for the Quantity Surveying Profession and matters incidental thereto.
Property Valuers Profession Act, 2000	To provide for the establishment of the Council for the Property Valuation Profession and matters incidental thereto.
Public Finance Management Act, 1999	To regulate financial management and to ensure that all revenue, expenditure, assets and liabilities of Government departments or entities are managed efficiently and effectively.
Skills Development Act 97, 1998	To govern training, education and skills development in the workplace.

Short title of the Act	Purpose of the Act
Employment Equity Act, 1998	Applies to all employers and workers and protects workers and job seekers from unfair discrimination, and provides a framework for implementing affirmative action.
Promotion of Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
Promotion of Access to Information Act, 2000	To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
Minimum Information Security Standards	<p>(1) Maximises the degree to which unclassified geographic information from various sources can be made electronically compatible and accessible</p> <p>(2) Promotes the development of interoperable geographic information systems technologies that shall-</p> <p>(a) allow widespread, low-cost use and sharing of geographic data by national, provincial, local governments and state entities, and the public</p> <p>(b) enable the enhancement of services using geographic data</p>
Occupational Health and Safety Act, 1993	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory council for occupational health and safety.
National Treasury Regulations	These regulations are issued on a regular basis by National Treasury and are applicable to all public entities as listed on Schedules 2, 3B and 3D. These regulations are also applicable to public entities listed on Schedules 3A and 3C until 31 March 2001.
National Archives of South Africa Act, 1996	Provides for the proper management and care of the records of governmental bodies; and the preservation and use of a national archival heritage.

9. ORGANISATIONAL STRUCTURE



10. STAKEHOLDER RELATIONSHIPS

A stakeholder is an individual, group or entity that can influence an organisation, or be impacted by its operations. The CBE's stakeholder base, by virtue of its profile and mandate, ranges far and wide – from the highest office in the land (Parliament), the Public Works Ministry and Departments, government departments, entities and state-owned enterprises, private and non-governmental organisation (NGO) sector, CBEP, industry, academia, voluntary associations (VAs) and the general public. Due to its capacity constraints, the CBE cannot reach the length and breadth of South Africa by itself, and so relies heavily on stakeholders as its implementing agents to drive its mandate. Agents who can make an impact through the following rank high on the CBE's stakeholder list:

- Reach out to multiple beneficiary levels,
- Partnerships and collaborations,
- Positive messaging in mass communication channels, and
- Align with the deliverables of the CBE.

The successful interactions with stakeholders are essential for sustainable value creation. The CBE strives to understand what is important to those who impacts it, as well as those on whom it has an impact, and to be responsive to their expectations. During the period under review the CBE undertook the following stakeholder engagements.

10.1 Exhibitions

CBE participated in 17 exhibitions during the 2017/18 financial year as tabulated below. Generally, CBE's exhibitions are categorised as:

Supporting DPW's adopted schools across the country with providing career awareness to secondary school learners.

Tertiary institutions that offer BE study programmes where students are assisted with internship information as well as requirements from the CBEP on categories of professional registration.

Community awareness driven by NGOs to deliver career awareness to learners, school leavers and unemployed youth in deep rural areas.

Maintaining a presence in the BE sector by supporting the Ministry, sister entities, the CBEP and other sector role players at their milestone activities.

Table 2: Exhibition participation for 2017/18

NO	DATE	STAKEHOLDER / ORGANISATION	DISTRICT / PROVINCE	TARGET AUDIENCE
1	20-21 April 2017	Rural Empowerment Career Exhibitions (RECE)	Madibogo Village and Amataleng District, North West	Grade 12 learners Day 1: Madibogo Village: 10 schools x 150 learners each Day 2: Amataleng District: 9 schools x 120 learners each
2	4 May 2017	Bela-Bela Municipality	Bela-Bela, Limpopo	1300 x Grade 12 learners
3	16 May 2017	Minister's Budget Vote Speech in Parliament	National	Government Departments and BE Key role players
4	23 May 2017	Agrément SA Certificate Handover	National	Sister entities and associated BE role players
5	1-2 June 2017	Mangosuthu University of Technology (UoT)	Durban, KwaZulu-Natal	CBE has a partnership with Mangosuthu UoT to source and place BE tertiary students in the WIL.

NO	DATE	STAKEHOLDER / ORGANISATION	DISTRICT / PROVINCE	TARGET AUDIENCE
6	12-14 June 2017	SACPCMP Summit	Durban, KwaZulu-Natal	Role players in the BE sector – academia, industry, government.
7	26 June 2017	Kuzondlula Career Expo	Tembisa, Gauteng	2800 x Grade 11, 12 and “gap year” learners
8	30 June 2017	DPW Youth Day	Pretoria, Gauteng	70 Interns and Contract Students at DPW
9	16 July 2017	DPW Schools Winter Camp	Pretoria, Gauteng	Grade 12 learners DPW Interns and Contractors
10	1-2 August 2017	Durban University of Technology (DUT) Career Expo	Durban, KwaZulu-Natal	BE tertiary Students and Interns
11	3 August 2017	RECE Career Expo	Taung, North West	Grade 12 learners Unemployed youth Aspiring entrepreneurs
12	1 September 2017	Minister’s Career Expo hosted by the Umhlathuze Municipality	Richards Bay, KwaZulu-Natal	Grade 9-11 Learners Unemployed Youth
13	27 September 2017	Department of Housing Settlements (DHS) Stakeholder Forum: Review of Guidelines (Red Book)	Gauteng	BE sector stakeholders
14	5 October 2017	Property and Construction Sector Charter Council	Bloemfontein, Free State	100 x Grade 9/10/11 learners
15	28-30 November 2017	DPW Seminar: Empowering persons living with disabilities in the construction sector	Durban, KwaZulu-Natal	Persons living with disabilities who are currently in the entrepreneurial space in the construction industry.
16	15 January 2018	DPW Annual Bursary and Recognition Awards	South Africa	Grade 12 top performers, and all categories of trainees
17	23 February 2018	KZN Provincial Department of Public Works	Dundee, KwaZulu-Natal	200 x Grade 10/11/12 learners

10.2 Conferences and presentation platforms

The highlight of stakeholder engagement during the year under review was **CBE’s Transformation Indaba** convened on 29 August 2017 at the CSIR. The one-day event which rounded off with a gala dinner brought together role players from the Public Works fraternity, infrastructure government departments, local government structures, academia, industry, the CBEP, voluntary associations, sister entities, SOEs and marginalised groups e.g. Disability Council. The deliberations were consolidated in a Transformation Document of Intent, a pledge to collaborate on joint initiatives. The seed has been planted, with this event set to become an annual event on the CBE calendar. Other hosting and speaking opportunities that CBE participated in appear in the table below:

Table 3: Conferences and presentation platforms

DATE	EVENT	CBE REPRESENTATIVE
15 September 2017	Green Building Conference	Acting CEO: Presentation on CBE’s Role in Green Buildings
19 October 2017	SACPCMP Conference	Ms Nana Mhlango: Presentation on Transformation CEO: Message of Support and Congratulations at the Gala Dinner.
20 October 2017	SACLAP Council Inauguration	CEO hosted the Ministry delegation and conducted proceedings.

10.3 Operations programme support

CBE enlists **stakeholder collaborations** with relevant stakeholders to assist it discharge its mandate. On 7 February 2018, CBE concluded a MoU with Walter Sisulu University in the Eastern Cape Province regarding the placement of their BE students for internship training with host employers. Such a collaboration addresses an array of mandates in the larger scheme of things viz.:

- It activates the entry of historically disadvantaged persons (interns) into the 'pull' section of the skills pipeline is part of CBE's Skills Development Strategy;
- This participation gives effect to CBE's Transformation Policy; whilst it
- Promotes CBE amongst role players in the built environment sector.

The **Transformation Roadshow** is another stakeholder support initiative offered by the division of the CEO's Office. Rooted in the Document of Intent pledged by stakeholders at CBE's Transformation Indaba, the Transformation Roadshow is a nation-wide awareness campaign to bring BE stakeholders on board to align with CBE's transformation strategy and initiatives. It launched with a very informative interchange with the KZN Provincial Department of Public Works on 27 February 2018, followed by the Eastern Cape Department of Roads and Public Works on 23 March 2018.

10.4 External communication

10.4.1 Media

One of the newsworthy events during the year under review was the **Transformation Indaba**, for which the following media coverage was recorded:

Pre-event publicity:

- Internal e-mail signature
- Countdown on CBE website
- 5 minute interview on radio station Power 98.7
- Live reads on the following radio stations:
 - Power 98.7
 - 702
 - Kaya FM

Live event publicity:

CBE Facebook posts

Post event publicity:

- *Pretoria News*
- *Cape Times*
- Love World SAT/News channel
- Speakers presentations on CBE website
- Pictures on CBE website
- Write-up and picture published in DPW's newsletter *WorxNews*.

The **CEO's appointment** on 1 October 2017 was another newsworthy item during the year under review. The coverage received was as follows:

- Picture and write-up published in the Appointment's section of *Sunday Times* on 28 October 2017;
- The CEO was profiled in the November 2017 issue of *Public Sector* Magazine; and
- The December 2017 issue of the *CBE Bulletin*.

Other media activities that CBE engaged appear in the table below:

Table 4: Media engagements

DATE	EVENT / INCIDENT	FORMAT
24 May 2017	Press Club Evening hosted by SACPCMP	Networking and general information sharing.
7 June 2017	Photo shoot and interview with Council Chairperson, Mr Isaac Nkosi.	Article published in July issue of the <i>Leadership</i> magazine.
29 June 2017	Professional Projects Register	Update CBE's contact details. Added the new CI design element in the write-up for July-October issue of <i>To Build</i> magazine.
24 August 2017	SACPCMP Fraud Investigation	Message of support and co-operation.
18-20 October 2017	SACPCMP Conference	CBE write up for Brochure. Advert for Brochure.
18 October 2017	SAICE's Civil Engineering magazine	Corrected content and contact detail i.r.o. CBE for its November issue.
28 February 2018	National Government Handbook	Updated CBE information.

10.4.2 CBE Bulletin

CBE launched its corporate newsletter, the *CBE Bulletin* on 4 December 2017. The electronic newsletter publishes monthly with the aim of keeping sector stakeholders abreast with information and trends in the built environment. It also intends to stimulate debate and dialogue on built environment agendas of national importance.



PART B: PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA, in its capacity of external auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 90 of the Auditors Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1 Service Delivery Environment

The CBE's performance on pre-determined objectives was 90% achievement while 10% were not achieved for the 2017/18 financial year. The CBE received a clean audit for 2016/17 financial year. The challenges that face the CBE emanate from both its internal and external operating environments. The non-achievement of two (10%) targets were due to supply chain management processes and a dependence on external stakeholders for their success.

Skills development in the built environment sector is important because it continues to provide the critical skills needed to design, construct, operate and maintain ever-increasing public and private infrastructure. One cannot talk about radical economic transformation without ensuring skills and knowledge transfer to a new generation of registered practitioners in the built environment in order to survive and thrive.

During the 2017/18 financial year, the CBE continued to invest in the development of skills needed for economic growth, development and transformation of the built environment. The CBE supported 156 Maths and Science students, fifty candidates were placed in the CBE structured candidacy programme, while 152 interns were placed at various participating host work places throughout the country to be trained under the guidance of experienced mentors. The CBE engaged nine Provincial Departments of Public Works on its Structured Candidacy Framework.

During the year under review, built environment sector partnerships and collaborations were leveraged to respond to the challenges facing the sector such as availing a skilled work force and transformation. A number of MoUs were signed with various partners.

The CBE successfully held its first annual Transformation Indaba on the 29 August 2017 at the CSIR ICC in Pretoria, Gauteng with the theme of *Empowering the Nation*. The main objectives of the Indaba were to gauge the current status of transformation in the built environment; to provide a platform for collaboration and sharing of knowledge among academia, the public and private sectors; to interrogate challenges and possible recommendations/solutions from multi-dimensional perspectives; and to track the progress of transformation in the South African built environment year-on-year. In addition to the rich debate and sharing of insights and knowledge, the event also managed to cement the commitment of these stakeholders through the signing of a "declaration of intent", which details a commitment to collaborate and actively participate in transformation interventions within the built environment.

It is required of government institutions to comply with DPSA's ICT Governance Framework. The CBE had its ICT Governance Framework, with its priority areas, approved and subsequently implemented the two phases of the Framework.

Good governance is essential to the CBE and the six CBEP in achieving their purpose and outcomes. It helps us determine the direction of our work, drives organisational stewardship, supports high performance and creates trust with stakeholders. During the year under review, CBE worked with the six CBEP to develop a Corporate Governance Framework, which will be promoted for use by the CBEP in the next financial year.

The identification of work (IDoW) has been pending for some time. An advocacy programme was followed up with the Competition Commission (CC) to address shortcomings in the IDoW submissions. The Council resolved to adopt an official CBE position on the IDoW, and also approved an IDoW action plan. This focuses on exploring different approaches to conclude the IDoW process, as allowed by enabling legislation with continued focus on engagement with the CC, and extensive consultation with and updating of stakeholders on the process as paramount.

2.2 Organisational Environment

The year under review saw all critical executive positions filled. This was done in order to enhance and strengthen the human resources (HR) planning and management support to the core business of the CBE. Ninety-nine percent (99%) of all funded positions in the organisational structure were filled during the year under review.

All HR Policies were reviewed. Ten out of the twenty reviewed policies were revised, based on identified gaps and the latest legislation updates. This review process was undertaken in consultation with employee representation and approved by Council.

The majority of the workforce has recently been unionised. Effort needs to be steered towards establishing a relationship of mutual understanding by both the employer and the labour union, and clarifying processes in order to delineate areas of organisational compliance, matters of mutual interest and labour relations.

The organisation resorted to five acting appointments during the period. These were due to vacancies and temporary replacements for staff on maternity leave.

The organisation has challenges with operationalising its mandate, which affects its impact (or lack thereof) upon its stakeholders. Through the support of GTAC, there is confidence that it will strengthen its capacity to focus on its core mandate and achieve greater impact in the built environment sector.

2.3 Strategic Outcome Oriented Goals

The strategic goals listed below were developed to guide the work of the CBE and to co-ordinate work with the councils for the professions:

Table 5: Strategic outcome oriented goal 1

Strategic goal 1	Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome oriented goals of the CBE.
Goal statement	A capacitated organisation that is able to deliver on its mandate.
Programme name	Programme 1: Administration
Link to national outcome(s)	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.
Related strategic objectives	Capacitate CBE to respond to Government priorities within the BE.

Table 6: Strategic outcome oriented goal 2

Strategic goal 2	A transformed BE with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery, operation and maintenance needs.
Goal statement	A well-functioning BE skills pipeline that is demographically and gender representative, and supports national infrastructure delivery.
Programme name	Programme 2: Skills for Infrastructure Delivery
Justification	Strategic Infrastructure Projects (SIPs) form the core of Government's planned infrastructure delivery programme, and built environment (BE) skills are at the centre of infrastructure delivery. Transformation and the lack of adequate technical skills is affecting the spending of infrastructure budgets, leading to lower economic growth and the perpetuation of poverty, inequality and unemployment. The Built Environment Professionals (BEPs) must reflect appropriate quality and quantity to meet the planned infrastructure delivery, operation and maintenance needs of the country whilst adhering to transformational targets.
Link to national outcome(s)	<p>This Programme is responding to the following mandate of the CBE:</p> <ul style="list-style-type: none"> • Section 3 (c) promote ongoing human resource development in the built environment. • Outcome 1: Quality basic education • Outcome 4: Decent employment through inclusive economic growth • Outcome 5: Skilled and capable workforce • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 14: Transforming society and uniting the country
Related strategic objectives	<p>Projects to support SIPs skills production and development initiatives for SIPs identified high demand skills (Engineers, Quantity Surveyors, Construction and Project Managers, Landscape Architects, Town Planners, Land and Engineering Surveyors and Geographic Information Systems [GIS] professionals).</p> <p>Initiatives to implement the CBE Transformation Model as amended, to increase the representation of previously disadvantaged groups in the BEPs.</p> <p>BE candidates / graduates and interns benefit from quality assured workplace training.</p>

Table 7: Strategic outcome oriented goal 3

Strategic goal 3	An optimally functioning BE with a responsive and relevant policy and legislative framework, based on informed and researched positions.
Goal statement	Provision of informed and researched advice to Government and all sectors of the economy on BE priority matters identified in the MTSF, supported by a well-functioning and resourced BE research, knowledge management and information resource.
Programme name	Programme 3: Built Environment Research, Information and Advisory
Justification	Sections 4 a, d, and e of the CBE Act impel the CBE to offer advice to the Minister on BE matters, whilst the dynamic and changing BE sector requires regulatory intelligence to fine tune Government's planning and infrastructure investment.
Link to national outcome(s)	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive economic growth • Outcome 7: Comprehensive rural development • Outcome 8: Sustainable human settlements and improved quality of house-hold life • Outcome 9: Responsive, accountable, effective and efficient local government • Outcome 10: Protect and enhance our environmental assets and natural resources
Related strategic objectives	Provide informed and researched advice to Government on BE priority matters identified in the 2014-19 Medium Term Strategic Framework (MTSF).

Table 8: Strategic outcome oriented goal 4

Strategic goal 4	BEPs that operate within a regulated policy and legislative framework.
Goal statement	BEPs that provide their services in an ethical and professional manner and are responsive to the country's national goals and needs, while complying with legislative requirements.
Programme name	Programme 4: Regulation and Oversight of six BEPCs
Justification	<p>1. The relevant sections of the CBE Act are:</p> <p>Section 3 (f) promote sound governance of the built environment professions.</p> <p>Section 4 (i) advise the councils for the professions on matters of national importance where the needs of State, as communicated to the council through the relevant Minister, require joint and co-ordinated action by the built environment professions.</p> <p>Section 4 (m) act as an appeal body with regard to matters referred to it in terms of the law regulating the BEPs.</p> <p>2. To ensure that the six CBEP respond to DPW's concerns of:</p> <ul style="list-style-type: none"> • Lack of alignment to government policy • Lack of accountability to Government and Parliament through non-compliance with the PFMA • Alignment of the CBEP' strategic plans and annual performance plans to those of DPW and CBE, and its contribution to national priorities
Link to national outcome(s)	<p>1. This Programme is responding to the following mandates in sections 20 and 21 of the CBE Act 43 of 2000.</p> <p>2. It is also contributing to the following outcomes of DPW:</p> <ul style="list-style-type: none"> • Outcome 13: Social protection • Outcome 10: Protect and enhance our environmental assets and natural resources
Related strategic objectives	<ul style="list-style-type: none"> • To act as an appeal body on matters of law referred to it in terms of legislation regulating the BEPs, and to promote and enhance high standards of professional ethics within the BE. • Alignment, by the six CBEP, with CBE's Corporate Governance Framework. • Adoption and implementation, by the six CBEP, of the CBE Monitoring and Evaluation Framework.

Table 9: Strategic outcome oriented goal 5

Strategic goal 5	A BE that is responsive to the developmental and economic priorities of Government.
Goal statement	A BE that is aligned with environmental, health and safety legislations, and contributes to service delivery, job creation, poverty alleviation and economic development.
Programme name	Programme 5: Government Policies and Priorities
Justification	<p>1. Curricula and the education of BEPs, embodied in educational programmes, influence their knowledge in infrastructure design and its performance against the goals of health and safety, environmental sustainability and job creation through labour intensive construction. This becomes their contribution to job creation, poverty alleviation and sustainable economic development.</p> <p>2. National standards set the conceptualisation and design parameters of infrastructure projects; therefore, it is imperative that they reflect adequate standards and performance criteria towards appropriate outcomes in health and safety, environmental sustainability and job creation through labour intensive construction, operation and maintenance.</p>

Link to national outcome(s)	<ol style="list-style-type: none"> 1. This Programme is responding to the following mandates of the Act: <ul style="list-style-type: none"> • Section 3 (c) promote ongoing human resource development in the built environment. • Section 3 (d) facilitate participation by the built environment professions in integrated development in the context of national goals. • Section 3 (e) promote appropriate standards of health, safety and environmental protection within the built environment. • 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. 2. It is contributing to the following outcomes of the DPW: <ul style="list-style-type: none"> • Outcome 2 – A long and healthy life for all • Outcome 4 – decent employment through inclusive growth • Outcome 5 – A skilled and capable workforce to support an inclusive growth path • Outcome 6 – an efficient, competitive and responsive economic infrastructure network • Outcome 8 – Sustainable human settlements and improved quality of household life • Outcome 10 – Protect and enhance our environmental assets and natural resources • Outcome 12 – an efficient, effective and development orientated public service
Related strategic objectives	BE academic curricula and Continuous Professional Development (CPD) programmes that embody issues of health and safety in construction, environmental sustainability and job creation through labour intensive construction and the Infrastructure Delivery Management System (IDMS).

3. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVE

The CBE implemented its 2017/18 APP through five Programmes. The composition of the Programmes has changed. The Administration component from the former Programme 1 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

3.1 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 ICT and financial support services. IT will continue to develop and deliver systems that are user-friendly and meet expectations of users. CBE is planning for an unqualified opinion, with no findings (clean audit). A financially unqualified opinion with no findings, commonly known as a clean audit opinion, are unqualified financial statements with no reported audit findings, in respect of either reporting on predetermined objectives or compliance with key legislation. The Programme is underpinned by fair and transparent business practices and the responsibility to drive organisational-level compliance, through a system of policies and legislative frameworks.

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

3.1.1 *IT Governance Framework, in line with DPSA's Corporate Governance of ICT Policy Framework, implemented by 31 March 2018 – 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 DPSA's IT Policy Framework.

The target was achieved. The IT Governance Framework, in line with DPSA's Corporate Governance of ICT Policy Framework was approved and implemented in the CBE. In addition, an IT security solution was implemented. CBE successfully implemented its ICT Governance Framework in line with the DPSA's ICT Governance Framework, thus fulfilling this compliance requirement. The priority areas were implemented to ensure good governance of ICT in the CBE.

3.1.2 *ICT Plan implemented by 31 March 2018 – Achieved.*

The target is to deliver business enabling ICT projects.

The target was achieved. The ICT Strategic Plan was approved and the 2017/18 key deliverables have been implemented. This is a three year strategy, aligned to the CBE corporate strategic plan. In addition, the Disaster Recovery Plan was completed and approved, and a service provider appointed to implement it. The performance of the ICT implementation plan has contributed to the CBE's goals by providing direction to the initiatives to strengthen the CBE through technology initiatives.

3.1.3 *Unqualified audit report, with no material financial findings, for 31 March 2018 – 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.

The target was achieved. CBE received an clean audit report for the 2016/17 financial year. Finance and SCM provided training sessions to ensure that staff understand compliance requirements. The internal auditors highlighted areas of compliance in performance information (such as supporting evidence for targets) that will significantly improve CBE's performance audit for the 2017/18 financial year.

Table 10: Programme 1: Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objective: To ensure that the CBE has the necessary capacity and capability to support Government's development priorities within the BE.					
Strategic objectives	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
To ensure that the CBE has the necessary capacity and capability to support Government's development priorities within the BE.	One	Three	Three	None	None

Table 11: Programme 1: Key performance indicators, planned targets and actual achievements

Strategic objective: To ensure that the CBE has the necessary capacity and capability to support Government's development priorities within the BE.					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
1.1 Implemented ICT processes, as per DPSA guidelines.	Not achieved. The first draft was developed but not finalised due to capacity challenges in the IT department.	IT Governance Framework, in line with DPSA Corporate Governance of ICT Policy Framework, implemented by 31 March 2018.	Achieved. IT Governance Framework, in line with DPSA Corporate Governance of ICT Policy Framework, was implemented.	None	None
1.2 Approved ICT Implementation Plan.	Not achieved.	ICT Plan implemented by 31 March 2018.	Achieved. ICT Plan implemented.	None	None
1.3 Clean audit strategy.	Achieved. Unqualified Audit for 2015/16.	Unqualified audit report for 2016/17.	Achieved. CBE obtained a clean audit report for 2016/17 financial year.	None	None

Table 12: Programme 1: Linking performance with budget

Programme /activity/ objective	2016/17			2017/18		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
Performance Indicators	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Implemented ICT processes as per DPSA guidelines.	577	657	(80)	125	125	0
1.2 Approved ICT Implementation Plan.	0	0	0	0	0	0
1.3 Clean audit strategy.	0	0	0	0	0	0

3.2 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 inclusive growth path) through the following initiatives:

- Strategic Infrastructure Projects (SIPs)
- Maths and Science support programmes
- Career Awareness
- Partnering with sister entities, CBEP and private sector organisations
- Placing and supporting BE candidates and interns in work places for structured training
- Promoting skills development in order to support the roll out of infrastructure delivery in the country
- Introducing the Structured Candidacy Programme in government departments and municipalities

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

3.2.1 *Two categories of high demand professions' implementation plans developed in support of Landscape Architects and Property Valuers professionals for the SIPs by 31 March 2018 – Achieved.*

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

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

Implementation plans for two categories of high demand professions (Landscape Architects and Property Valuers) were developed. These plans were developed with the support of academics from UJ. This collaboration is the result of an agreement between the CBE and UJ.

3.2.2 150 Grade 12 learners enrolled in the Maths and Science support programme by 31 March 2018 – 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.

The target was achieved, and exceeded. 164 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 reason for exceeding the target was the pupil: teacher ratio allowed for 14 additional learners to be enrolled in the programme.

3.2.3 50 New candidates/BE graduates in workplace training by 31 March 2018 – Achieved.

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

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:

- 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.

The annual target was achieved. 50 New in-take of candidates/BE graduates were placed in workplace training. The Candidacy Programme is set out to ensure that the candidate produces a structured training plan that covers all the required outcomes from the CBEP.

3.2.4 100 Interns placed for work integrated learning by 31 March 2018 – 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 negotiated MoUs with UoTs to assess relevant workplaces, place students for a maximum period of 12 months, and monitor and assess the interns during this period. While the UoT identifies interns for the programme, the CBE utilises Construction Education Training Authority's (CETA's) qualifying criteria to evaluate them and conduct intern verification. CBE undertakes all the administration regarding the interns' training, including the payment of their monthly stipend.

The mentoring programme supports students in the early stages of their career development. More than a work placement, it is an opportunity for Part 1 final-year and Part 2 students to gain real insight into workplace practice with support from a mentor. The programme is equally popular with mentors as it is with mentees.

The target was achieved and exceeded. 152 Interns were placed for work integrated learning by 31 March 2018, which was 52 more than projected. The situation of having interns only placed for P2 which is a semester (6 months) long, opened up the opportunity of placing qualifying students for the remaining semester (6months), which accounts for the extra 52 students placement.

3.2.5 One oversight report on the Accredited Academic Programmes by the BEPCs by 31 March 2018 – Achieved.

This project exercises oversight on the CBEP to ensure that public and private tertiary institutions adhere to an equitable and fair accreditation process. The CBEP are mandated to conduct accreditation on behalf of the Council on Higher Education (CHE); hence the procedures followed should be consistent and aligned to CHE's 19 Accreditation Criteria. During the year under review, 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 CBEP's compliance with the 19 CHE criteria; and
- Recommend on the CBEP's compliance to CBE.

The target was achieved. One oversight report on the Accreditation of BE Academic Programmes by CBEP was developed.

Accreditation processes for the six CBEP were reviewed, specifically on how they conducted accreditation of academic programmes in tertiary institutions. The need for quality in accreditation, specifically the importance of adhering to CHE's 19 accreditation criteria as a minimum, necessitated the review. The finding was that generally most professional councils complied with the process of conducting the accreditation. The need to comply and standardise the accreditation process, common terminology and outcome decisions are critical, especially for the professional councils under the CBE. The study also provided recommendations to CBE on the CBEP's compliance.

3.2.6 Nine Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2018 – 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 the assessment and accreditation of workplaces by CBEP
- Organisations developing generic training plans for the profession in alignment with CBEP's competency profile
- Organisations developing detailed training plan per candidate
- CBE facilitating the training of mentors to undertake formative assessment of each outcome according SAQA requirements (NQF registered unit standard 115753 [Conduct outcomes-based assessment])
- Fairness, Validity, Reliability, Practicability, etc.
- CBEP recognising the formative assessments by mentors
- CBE accrediting mentors

The target was achieved. Nine Provincial Public Works Departments were engaged on the implementation of the CBE Structured Candidacy Framework. During the engagements it was clear that outsourcing infrastructure projects disadvantages BE candidates by limiting their exposure to relevant experience needed for registration. On the other hand, many candidates cannot be seconded for mentorship from private contracts; this impedes the progress of candidates towards professional registration. Eastern Cape Public Works reserves 5% of their projects to be implemented internally, allowing for their built environment professionals to practice on these projects and simultaneously develop their Portfolio of Evidence for their logbooks. It was found that the Western Cape Provincial Public Works candidacy programme is far better structured than the other eight Provincial Public Works Departments.

Table 13: Programme 2: Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objective: Drive and facilitate skills development and transformation within the BE.					
Strategic objectives	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Drive and facilitate skills development and transformation within the BE.	Six	Six	Six	A positive variance of 52 was achieved for the placement of interns.	The situation of having interns only placed for P2 which is for a semester (6 months) long opened up the opportunity of placing other qualifying students for the remaining semester (6 months), which accounts for the extra 52 students' placement. Some learners resigned from the programme during training. There were instances where companies could afford to pay the learners their stipends.
				A positive variance of 14 was achieved in the number of learners enrolled in the Maths and Science support programme.	The pupil : teacher ratio allowed for an additional 14 learners to be enrolled into the programme.

Table 14: Programme 2: Key performance indicators, planned targets and actual achievements

Strategic objective: Drive and facilitate skills development and transformation within the BE					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
2.1 Number of implementation plans for high demand skills professions categories Developed for SIPs.	Achieved. Implementation Project Plan for three BEPs categories developed to support the production of two high demand BEPs skills categories (Land and Engineering Surveyors, and GIS professionals) for the SIPs project by 31 March 2017.	Two categories of high demand professions' implementation plans developed in support of Landscape Architects and Property Valuers professionals for SIPs by 31 March 2018.	Achieved. Two categories of high demand professions' implementation plans developed in support of Landscape Architects and Property Valuers professionals for SIPs by 31 March 2018.	None	None
2.2 Number of learners enrolled in the Maths and Science support programme.	Achieved. 450 Learners from a pool of Grade 10-12 learners enrolled in Maths and Science support programme in the Durban (KwaZulu- Natal), Port Elizabeth (Eastern Cape) and Nelspruit (Mpumalanga) Education Districts	150 Grade 12 learners enrolled in the Maths and Science support programme by 31 March 2018.	Achieved. 164 Grade 12 learners were enrolled in the Maths and Science support programme.	A positive variance of 14 was achieved in the number of learners enrolled in the Maths and Science support programme.	The pupil : teacher ratio allowed for an additional 14 learners to be enrolled into the programme.
2.3 Number of candidates/BE graduates placed for workplace training.	Achieved. 50 Candidates were placed in workplace training.	50 New candidates/ BE graduates in workplace training by 31 March 2018.	Achieved. 50 New candidates/ BE graduates were placed in workplace training by 31 March 2018.	None	None
2.4 Number of interns placed for workplace training.	Achieved. 200 Interns were placed for work integrated training.	100 Interns placed for work integrated learning by 31 March 2018.	Achieved. 152 Interns were placed for work integrated learning by 31 March 2018.	The target was achieved, and exceeded. 152 Interns, which is 52 more than projected, were placed.	The situation of having interns only placed for P2 which is for a semester (6 months) long opened up the opportunity of placing other qualifying students for the remaining semester (6 months), which accounts for the extra 52 students' placement. Some learners resigned from the programme during training. There were instances where companies could afford to pay the learners their stipends.

Strategic objective: Drive and facilitate skills development and transformation within the BE					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
2.5 Number of oversight reports of BEPCs' Accreditation of BE Academic Programmes.	Achieved. A report on accreditation of academic programmes and academic institutions by the CBEP was completed	One oversight report on the Accredited Academic Programmes by the CBEP by 31 March 2018.	Achieved. One oversight report on the Accredited Academic Programmes by the CBEP by 31 March 2018.	None	None
2.6 Number of municipal, provincial and national departments and SOEs supported on their BE technical capacity based on researched initiatives.	Achieved. The Transformation Strategy was developed.	Nine Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2018.	Achieved. Nine Provincial Public Works Departments were engaged on the implementation of the CBE Structured Candidacy Framework by 31 March 2018.	None	None

Table 15: Programme 2: Linking performance with budgets

Programme/activity/objective	2016/17			2017/18		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
Performance Indicator	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Number of implementation plans for high demand skills professions categories developed for SIPs.	90	251	(161)	180	180	0
2.2 Number of students enrolled in the Maths and Science support programme.	1 455	2 515	(1 060)	1 536	1 191	345
2.3 Number of candidates/ BE graduates placed for workplace training.	1 418	2 416	(998)	1 234	842	392
2.4 Number of interns placed for workplace training.	3 235	4 257	(1 022)	3 903	3 300	603
2.5 Number of oversight reports of BEPCs' Accreditation of BE Academic Programmes.	240	280	(40)	357	440	(83)
2.6 Number of municipal, provincial and national departments and SOEs supported on their BE technical capacity based on researched initiatives.	-	-	-	5	18	(13)

3.3 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 had three annual targets, all of which were achieved.

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:

- Outcome 4 – decent employment through inclusive growth;
- Outcome 6 – an efficient, competitive and responsive economic infrastructure network;
- Outcome 8 – sustainable human settlements and improved quality of household life;
- Outcome 10 – protect and enhance our environmental assets and natural resources;
- Outcome 12 – an efficient, effective and development orientated public service.

The targets for the year were achieved as follows:

3.3.1 *Report on initiatives to support infrastructure skills within Government by 31 March 2018 – 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 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.

The target was achieved. The final report on the implementation of the initiatives with recommendations was developed.

The CBE engaged nine Provincial Public Works Departments as part of the initiatives to support infrastructure skills. These can be summarised as follows as they demonstrate support to the skills pipeline strategy:

- Provide bursaries to Grade 12 school learners and internally to employees to upgrade their academic skills. The bursars have to work back for the length of time they were funded.
- Professional mentorship of candidates – however, this is limited as willing mentors either do not have time, or have more candidates than they can cope with. For example one province has 80 candidates actively mentored by seven internal professionally registered mentors.

- In the North West DPW the following modules are offered to candidates for the first six months, which involves classroom work, work exposure and a written exam to receive a certificate:
 - AutoCAD for Architecture, Civil, Electrical and Structural Engineering
 - Architectural training
 - Civil training
 - Revit core competency programme
- Continuous professional development, although very limited.
- The Quantity Surveyor candidates attend classes for Professional Skills Modules (PSM), however many of them (especially those in rural areas) do not pass these modules because they receive little assistance.
- The Western Cape DPW is the only one with an integrated skills pipeline where 100% of their bursars are absorbed into the department. Their candidates are well supported, and they have been reportedly enjoying a 100% success rate in professional registration since 2010.

The CBE recommended the following:

- All candidates register with at least one relevant Voluntary Association (VA) as these provide relevant training programmes per profession. This can score 10 points for a candidate in the final assessment interview with some CBEP (e.g. SACPCMP) who are convinced that VAs provide relevant continuous development programmes.
- The technical department works closely with the HR department to develop relevant personal development plans (PDP), which meets the requirements for both the candidate as well as the organisation.
- Professionally registered individuals be trained on Outcome-Based Assessment (NQF registered unit standard 115753) that will capacitate them to undertake formative assessments and develop practical individual training plans.
- Mentorship is added to the Performance Agreement, with an allocation of at least 20% points to it.
- In future, contracted candidates must be flexible to be seconded to contracted companies, where they must be part of the service level delivery for the contracted company for skills transfer to take place.
- Public entities use the CIDB “Standard for developing skills through infrastructure contracts” to fund training in the workplace for candidates.
- Access to Microsoft Office, Appropriate Technical and Project Management software.

According to the CBE the following training initiatives would be helpful for mentors:

- Report writing skills
- The different types of contracts, their relevance to different projects and their advantages and disadvantages
- Environment Impacts
- Human Resource management and planning
- Occupational Health and Safety related to the profession and on site
- Communications
- How to facilitate proper and focused meetings

3.3.2 *One research report on state of readiness of municipalities to implement the Infrastructure Procurement and Delivery Management (SIPDM) by 31 March 2018 – **Achieved.***

This project is part of the formalised partnership between the CBE and the Office of the Chief Procurement Officer (OCPO) at National Treasury on the implementation of the SIPDM, also referred to as 'the Standard'. The Standard makes it incumbent upon the departments and municipalities to involve professionally registered BE practitioners from the conceptualisation, through to delivery and completion of 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. In addition, the implementation of the Standard compels BE technical officials in the employ of the state to be registered with the respective CBEP, as a pre-requisite 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 overall objective of the project is to assess the state of readiness of municipalities to implement the SIPDM. In so doing, the specific objectives of the project were to:

- establish the availability of requisite BEP skills as prescribed by the SIPDM within the selected municipalities
- establish the existence of individuals with built environment qualifications but have not registered with CBEP
- identify existing processes and legislative frameworks that can be utilised to ensure sustainable technical capacity within municipalities

The target was achieved. A report on the state of readiness of municipalities to implement the SIPDM was developed. The findings and recommendations of the report will be submitted to National Treasury in the form of an advisory report.

The key finding of this research is that most local municipalities are at the initial stages of their institutionalisation of the SIPDM. Very few municipalities (metros and districts) have developed policies and institutional arrangements and mechanisms to support the implementation of the SIPDM.

The research found that the majority of municipalities have capacity constraints (HR and lack of efficient governance structures) required to support the institutionalisation of the SIPDM. The research also revealed that BEPs and SCM Practitioners have limited knowledge and understanding of the IDMS and SIPDM, so there is a need to expand the training on both of these. The available data shows low numbers of BEPs employed in municipalities. With the possible exception of civil engineers in metropolitan municipalities, in all other categories of professionals it is evident that the number of professionals employed are too low to support effective infrastructure provision. In addition, the majority of the BEPs are not registered, a high percentage is registered as candidates without adequate support and institutional mechanisms to support their professional registration and upward mobility in the profession within municipalities.

The research also found that BEPs are struggling to register professionally due to the limited work scope and lack of exposure in municipalities, precipitating their move to the private sector. Furthermore the lack of mentors in municipalities for candidate leads them to leave local government for other organisations where mentors are available. Municipalities also reported that salaries for BEPs in municipalities are not competitive and as a result they struggle to attract and retain BEPs. In municipalities there is also a high degree of turn-over among BEPs, and many of them are performing administrative tasks instead of technical work.

The critical success factors, identified for institutionalising the IDMS include the following:

- Developing HR capacitation plan to attract and retain critical positions
- Filling of critical posts in the SCM and infrastructure units with the correct skills
- Establishing of governance structure to support the SIPDM
- Training and mentoring key officials responsible for the implementation of the SIPDM

- Expanding the IDMS and SIPDM knowledge base of BEPs and supporting functions. Ongoing support and practical application required to enhance the understanding and use of processes and procedures and tools for IDMS and SIPDM. There is an opportunity for an in-depth training programme on the SIPDM for built environment professionals
- Ensuring sufficient registered BEPs to act as mentors to candidate professionals through mentorship programmes; and increased emphasis on supporting training programmes
- Providing further support to existing programmes such as the Infrastructure Skills Development Grant (ISDG), Project Consolidate, partnerships between local government and institutions of higher education, the CBE Skills Pipeline Programme etc.
- Strong Provincial Treasury support to have a positive impact on institutionalising the SIPDM

3.3.3. *Research report on analysis of the impact of CBE's Maths and Science support programme focusing on built environment by 31 March 2018 – **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, 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 were 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
- Select one similar programme elsewhere to compare the level of impact and value for money

The target was achieved. A report on the impact of Maths and Science support programmes focusing on built environment initiatives was completed. The project was implemented through the collaborative agreement with UJ.

The following successes of the CBE Maths and Science programme were identified:

- Increased the overall performance of the participating schools
- The attitude of the participating learners towards Maths and Science improved
- The teachers from the schools benefitted indirectly
- The programme complemented that of the schools'
- Learners who benefitted from the programme shared content and information with others
- The reputation of participating schools improved
- The Grade 12 enrolment in some participating schools improved

The following shortcomings of the CBE Maths and Science programme were identified:

- The duration of the programme was too short
- Only the best performing learners were selected
- The lower grades, e.g. Grade 8-11, were not included
- There were no structured communication channels between the schools, circuit, district and service provider
- Teachers from the beneficiary schools were not directly involved
- The programme did not offer beneficiaries bursary opportunities for their tertiary education

The recommendations made by the research participants, including the service providers and school representatives (teachers, heads of departments, and principals) were summarised as:

- The launch and close of the programme must be done in a formal, structured manner
- The duration of the programme must be extended to 3-5 years
- The programme must include all learners in the school from Grade 8 to 12 so that the foundation can be handled; otherwise it is "patch work"
- The programme must focus on less privileged schools in remote rural areas
- The programme should provide a structured capacity building component for teachers in beneficiary schools that address issues of school governance and content understanding
- Learners with very poor Maths and Science marks should also be included
- The budget for the programme must be allocated to learning materials like study guides, mobile labs, photocopiers, printers, text books and incentivising teachers
- A communication plan should be compiled, and adopted and maintained throughout the implementation period of the programme in order for all stakeholders to stay informed
- Learners should be provided with incentives to study Maths and Science such as bursary/funding for their tertiary education
- E-educational or learning materials should be provided to avoid boredom with the traditional way, which is also time-consuming
- Ideally teachers and tutors should visit the school and programme lessons so that they could collaborate
- Attention to more career guidance through motivational talks should be provided so that the students will be motivated to develop interest in Maths and Science and understand the requirements
- Relocate the centres to be more central and accessible to all, including the poor
- Remove the middle man (service provider) - there is no actual collaboration between service provider and the funder and that disturbs the progress

Table 16: Programme 3: Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objective: To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.					
Strategic objectives	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.	Three	Three	Three	None	None

Table 17: Programme 3: Key performance indicators, planned targets and actual achievements

Strategic objective: To provide informed and researched advice to Government on BE priority matters identified in the 2014 MTSF.					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
3.1 Number of reports on initiatives and programmes to support technical capacity with the State.	Three partnerships to support BE technical capacity within municipal, and Provincial and National departments, implemented by 31 March 2017.	Report on initiatives to support infrastructure skills within Government by 31 March 2018.	Achieved. Report on initiatives to support infrastructure skills within Government was developed.	None	None
3.2 Number of research reports on the state of readiness by municipalities to implement the SIPDM.	One partnership with the OCPO on the SIPDM to support infrastructure delivery in the public sector by 31 March 2017.	One research report on state of readiness of municipalities to implement the SIPDM by 31 March 2018.	Achieved. One research report on state of readiness of municipalities to implement the SIPDM was developed.	None	None
3.3 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.	Achieved. Research report on the analysis of the impact of CBE's Maths and Science support programmes focusing on built environment was developed.	None	None

Table 18: Programme 3: Linking performance with budgets

	2016/17			2017/18		
Programme/ activity/ objective	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
Performance Indicator	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Number of reports on initiatives and programmes to support technical capacity with the State.	338	334	4	0	0	0
3.2 Number of research reports on the state of readiness by municipalities to implement the SIPDM.	105	4	101	218	174	44
3.3 Number of research reports on analysis of the impact of built environment skills development initiatives.	100	48	52	383	349	34

3.4 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 mandates contained in sections 20 and 21 of the CBE Act 43 of 2000.

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

For the 2017/18 financial year, Programme 4 had six targets. Four targets were achieved, while two were not achieved. The annual targets performed as follows:

3.4.1 100% finalisation of appeals within the statutory 60 days by 31 March 2018 – **Not achieved.**

Appeals Function

The aim of this target is to protect public interest by acting as an appeal body, and 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 annual target was not achieved. One appeal was not decided within the prescribed period of 60 days due to a protracted SCM process of procuring the members of the appeal committee. The appeal was eventually decided on 10 October 2017.

Section 21 (3) of the Act prescribes that the Council must appoint an appeal committee. However, following the SCM process to appoint an appeal committee has the potential to be delayed. Recommendations were submitted and approved by Council to establish a standing Appeal Committee, instead of procuring members of the appeal committee through an SCM process to avert such a delay in future.

3.4.2 Develop an IDoW Action Plan approved by Council by 31 March 2018 – *Achieved.*

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

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 identify the scope of work to be performed by registered persons.

The CC advised that the concept of IDoW is anti-competitive in terms of the Competition Act (no 89 of 1998) and will require exemption applications to be filed for exemption from the Competition Act prior to its implementation.

After extensive investigations the CC, during the previous financial year, rejected five of the applications. One application was withdrawn prior to a ruling by the CC. The CBE resolved to challenge the procedural correctness of the CC's decision. The CC agreed to receive revised exemption applications and to:

- (1) embark on an advocacy process with the CBE and CBEP
- (2) provide the comprehensive reasons for rejecting the exemption applications

The expected feedback and support from the CC has not been received. Only one set of reasons (with regard to the ECSA application) was received. The advocacy process has not yet commenced. Given the fact that the IDoW process has been ongoing for many years the CBE, in consultation with the CBEP resolved on a more pro-active approach, focussing on the statutory requirement of consultation with the CC instead of applying for exemption.

The annual target was achieved. The Council resolved to adopt an official CBE position on IDoW, and also approved an IDoW action plan. The action plan focuses on exploring different approaches to conclude the IDoW process as allowed by enabling legislation with continued focus on engagement with the CC, and extensive consultation with and updating of stakeholders on the process paramount.

3.4.3 Reviewed and aligned CBE Corporate Governance Framework to the King IV principles of Corporate Governance, and approved by Council by 31 March 2018 – *Achieved.*

The revised Framework was exclusively premised on the seventeen principles and recommended compliance practises of King IV to ensure alignment to it. The target was achieved. The Framework was assessed by an external service provider and approved by Council on 8 March 2018, following a recommendation by the BEMC.

3.4.4 An Assessment report on the six BEPCs Policies alignment with the seven (ministerial approved) Policy Frameworks, submitted to DPW, by 31 March 2018 – *Achieved.*

One of CBE's mandates is to ensure the uniform and consistent application of norms and guidelines for the CBEP. Thirteen concurrent functions were earlier identified for the consistent application of those policies. Alignment of policies between the CBEP, the CBE and DPW is required. The alignment of the CBEP's policies with the seven approved policy frameworks was conducted during the first three quarters of the year under review.

The annual target was achieved. During the year an assessment report on the alignment of the policies of the six CBEP was prepared. Some of the most noticeable findings on policies were:

Codes of Conduct: The professions Acts require the CBEP to draw up codes of conduct for registered persons. It was noted that some CBEP extended the codes of conduct to business entities too.

Tribunal and Appeals: The professions Acts prohibit the delegation of the power to hear an appeal. Some of the policies create the impression that this functions is being delegated to committees.

Professional Registration: Although all CBEP have registration policies, most do not have standing operating procedures to process registrations applications.

Competence Testing of Registered Persons: The policy is, in most instances, incorporated into the registration policies.

General: The policies, in most instances, pre-date the policy frameworks. A concerted effort is therefore required to review and align policies. The CBE will develop an implementation plan to direct this process in the next financial year.

3.4.5 50 Percent of the PFMA workshop outcomes implemented by 31 March 2018 – Achieved.

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

The DPW circa 2012 (hereafter referred to as the 2012 Directive) required the six CBEP to develop roadmaps towards compliance with the PFMA as a mechanism to enhance good governance. 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.

The annual target was achieved. During year, the CBE focused on the development of the Governance Framework as an outcome of the PFMA workshop. The King IV Report and its principles was considered as a starting point. These focus on good governance on a broad scale while the PFMA promotes the objective of good financial management. It was therefore necessary to develop a Governance Framework that contains both the principles of King IV and the PFMA. Such a framework was developed with the support of an external service provider and will be promoted for use by the CBEP in the next financial year.

3.4.6 Six BEPCs Strategic Plans, APPs and Annual Reports submitted to DPW by 31 March 2018 – Not 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 reports must be complaint 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 CBEP through assisting the CBEP with their submission of strategic plans and annual performance plans as per agreed time lines.

The annual target was not achieved. Only two CBEP submitted their annual performance plans and strategic plans to CBE. The CBE submitted these documents to DPW on 29 March 2018.

Table 19: Programme 4: Strategic objectives, planned targets and actual achievements

Strategic objective: To act as an appeal body on matters of law regulating the BEPs, and to promote and ensure high standards of professional ethics and conduct within the built environment.					
Strategic objectives	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
To act as an appeal body on matters of law regulating the BEPs, and to promote and ensure high standards of professional ethics and conduct within the BE.	Six	Six	Four	Two targets were not achieved.	Recommendations were submitted and approved by Council to establish a standing Appeal Committee instead of procuring members of the appeal committee through an SCM process.
				One appeal was not decided within the prescribed period of 60 days due to a protracted SCM process of appointing an appeal committee. The appeal was eventually decided on 10 October 2017.	
				Only two out of the six CBEP submitted their Strategic Plans and APPs on time for submission to DPW, rendering the target as non-achieved.	The CBE is working with the six CBEP to finalise their documents in the first quarter of 2018/19.

Table 20: Programme 4: Key performance indicators, planned targets and actual achievements

Strategic objective: To act as an appeal body on matters of law regulating the BEPs, and to promote and ensure high standards of professional ethics and conduct within the built environment.					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
4.1 Percentage of appeals finalised within the statutory 60 days from date of lodgement.	Achieved. All appeals lodged in the financial year were decided within the statutory period of 60 days.	100% Finalisation of appeals within the statutory 60 days by 31 March 2018.	Not achieved. Two out of three appeals were finalised within the statutory 60 days.	One appeal was not decided within the prescribed period of 60 days due to a protracted SCM process of appointing an appeal committee. The appeal was eventually decided on 10 October 2017.	The appointment of an appeal committee through procurement following the SCM process has the potential to be delayed. Section 21 (3) of the CBE Act prescribes that the Council must appoint an appeal committee. Recommendations were submitted and approved by Council to establish a standing Appeal Committee instead of procuring members of the appeal committee through the SCM process.
4.2 Implementation report on the IDoW Action Plan.	Achieved. A report on engagement with BE professional bodies on the IDoW exemption applications was developed.	Develop an IDoW Action Plan approved by Council by 31 March 2018.	Achieved. The Council resolved to adopt an official CBE position on IDoW, and also approved an IDoW action plan. The action plan focuses on exploring different approaches to conclude the IDoW process as allowed by enabling legislation with continued focus on engagement with the CC, and extensive consultation with and updating of stakeholders on the process paramount.	None	None

Strategic objective: To act as an appeal body on matters of law regulating the BEPs, and to promote and ensure high standards of professional ethics and conduct within the built environment.

Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
4.3 Reviewed Corporate Governance Framework approved by Council.	Achieved. A report was submitted to DPW and BEMC (as delegated by Council) on the status of compliance with corporate governance principles, as reflected in the Corporate Governance Framework by the six councils for the professions.	Reviewed and aligned CBE Corporate Governance Framework to the King IV principles of Corporate Governance, and approved by Council by 31 March 2018.	Achieved. The Framework was assessed by an external service provider and approved by Council on 8 March 2018, following a recommendation by the BEMC.	None	None
4.4 An Assessment report on the six BEPCs Policies alignment with the seven (ministerial approved) Policy Frameworks.	Achieved. The CBE presented and engaged the councils for the professions on the seven (ministerial approved) policy frameworks.	An assessment report on the six BEPCs Policies alignment with the seven (ministerial approved) Policy Frameworks, submitted to DPW, by 31 March 2018.	Achieved. The alignment of CBEP' policies with the seven approved policy frameworks was conducted an assessment report prepared and submitted to DPW.	None	None
4.5 Percentage of PFMA Workshop outcomes implemented.	Achieved. A report on six councils for the professions' PFMA compliance was submitted to DPW.	50 Percent of the PFMA workshop outcomes implemented by 31 March 2018.	Achieved. The CBE focused on the development of the Governance Framework as an outcome of the PFMA workshop. A Good Governance Framework incorporating principles of both King IV and the PFMA was developed with the support of an external service provider. This framework will be promoted for use by the CBEP in the next financial year.	None	None
4.6 Number of Strategic Plans, APPs and Annual Reports of the six BEPCs submitted to CBE and DPW.	Not achieved. The reason for the non-achievement was that the CBEP did not submit their Strategic Plans and APPs on time to allow for submission to DPW by CBE.	Six CBEP' Strategic Plans, APPs and Annual Reports submitted to DPW by 31 March 2018.	Not achieved. Only two CBEP submitted their Strategic Plans and APPS. All Annual Reports were submitted.	The reason for the non-achievement was that four CBEP did not submit their Strategic Plans and APPs on time to allow for submission to DPW by CBE.	The CBE is working with the six CBEP to finalise their documents in the first quarter of 2018/19.

Table 21: Programme 4: Linking performance with budgets

Programme/ activity/ objective	2016/17			2017/18		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditur
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Percentage of submitted appeals against decisions of BEPCs finalised within the statutory period of 60 days.	61	316	295	708	489	219
4.2 Implementation report on the IDoW Action Plan.	97	48	70	249	341	(92)
4.3 Reviewed Corporate Governance Framework approved by Council.	0	2	(2)	82	82	0
4.4 An Assessment report on the six BEPCs Policies alignment with the seven (ministerial approved) Policy Frameworks.	3	5	(2)	0	0	0
4.5 Percentage of PFMA Workshop outcomes implemented.	0	17	(17)	1	18	(17)
4.6 Number of Strategic Plans, APPs and Annual Reports of the six BEPCs submitted to CBE and DPW.	0	0	0	0	0	0

3.5 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 issues of health and safety in construction; environmental sustainability; job creation through labour intensive construction and the IDMS. The Programme had two targets for the period under review, both of which were achieved. The targets performed as follows:

3.5.1 Implementation plan to incorporate health and safety, sustainability, labour intensive construction and the IDMS into BE academic curricula by 31 March 2018 – **Achieved.**

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

The annual target was achieved. The implementation was developed by CBE together with a team of researchers from CARINBE. The next table outlines the implementation plan.

Table 22: Implementation plan to incorporate health and safety, sustainability, labour intensive construction and IDMS into BE curricula

No.	Identified area	Strategies	Activities	Time frame	Stakeholders
1	Content development	<ul style="list-style-type: none"> Use Forums 	To identify and involve content development practitioners.	6 Months or less (for both content and curriculum development on the existing programmes in tertiary institutions)	1. Content development specialists 2. Department of Higher Education and Training 3. HEQC 4. CBEP 5. CBEP practitioners 6. Other relevant key stakeholders
	Curriculum development	Adopt: <ul style="list-style-type: none"> Cape Peninsula University of Technology (CPUT) curriculum development Model University of Johannesburg (UJ) curriculum to introduce new Bachelor in construction in 2017 	<ul style="list-style-type: none"> To get feedback from students, institutions deals with approval of curriculum, practitioners and academicians. To ensure quality assurance for the developed curriculum To identify the person at UJ who deals with Higher Education Quality Council (HEQC) 		
2	Availability of human resources to teach the courses	Awareness of new knowledge areas in built environment to academicians and practitioners.	<ul style="list-style-type: none"> To identify conferences/ workshops/forums for a key note address on new knowledge areas. To hold forums/ conferences with academicians on awareness of new knowledge areas. To refer to the benchmark study that identified new knowledge areas. (The study might have human resources gap analysis report). 	2019/20 FY	1. Academicians from the Universities 2. Practitioners

No.	Identified area	Strategies	Activities	Time frame	Stakeholders
3	Consultation to implement the plan	Partnerships with various stakeholders	<ul style="list-style-type: none"> To have consultation with universities, CBE and CBEP. To invite stakeholders to comment on the implementation plan that has been created. To develop stakeholders engagement plan. To develop communication strategy for the stakeholders. To develop change management framework. 	2018/19 FY	1. CBE 2. CBEP 3. University HEQC persons 4. Other institutions offers similar programmes 5. Employer Bodies 6. Industry Advisory Boards from Departments 7. Department of Public Works 8. Department of Housing Settlements (DHS) 9. Other relevant stakeholders.

3.5.2 Bench marking study on Transformation best practice by 31 March 2018 – **Achieved.**

The main objective of this project was to undertake 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 were therefore to:

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

The annual target was achieved. A detailed report with recommendations on best practice for transformation, based on research findings was developed to inform CBE's Transformation Strategy:

- The current study should be taken as the first step in a long journey of realising transformation in the built environment industry. Consequently and as observed from all the sectors studied, a consultative meeting with the CBE's stakeholders is essential in which findings of this report could be presented and discussed
- A collective built environment fund is recommended that would be used to holistically develop previously disadvantaged individuals from primary school to university graduation with a built environment qualification. A collective effort is envisaged to be more effective than individual organisation effort
- Develop a more structured candidacy program for graduates so that they are able to attain professional status within three years of graduation
- In terms of the transformation strategy development and implementation itself, there should be wider consultation, guided by the industry specific objectives and government requirements. Implementation should be holistic and address skills development with specific programs that can be used for monitoring and evaluation

Table 23: Programme 5: Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objective: BE academic curricula and CPD programmes that embody issues of health and safety in construction, environmental sustainability, job creation through labour intensive construction as well as the IDMS.					
Strategic objectives	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
BE academic curricula and CPD programmes that embody issues of health and safety in construction, environmental sustainability, job creation through labour intensive construction as well as the IDMS.	-	Two	Two	None	None

Table 24: Programme 5: Key performance indicators, planned targets and actual achievements

Strategic objective: BE academic curricula and CPD programmes that embody issues of health and safety in construction, environmental sustainability, job creation through labour intensive construction as well as the IDMS.					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
5.1 Number of implementation plans incorporating new knowledge in BE curricula.	The annual target of the memorandum of agreement (MoA) was not achieved due to the CBEP' request for further engagements with the CHE and Quality Council for Trades and Occupations (QCTO) on the focus areas of the MoAs.	Implementation plan to incorporate health and safety, sustainability, labour intensive construction and the IDMS into BE academic curricula by 31 March 2018.	Achieved. The implementation incorporating health and safety, sustainability, labour intensive construction and the IDMS into BE academic curricula was developed by CBE together with a team of researchers from CARINBE by 31 March 2018.	None	None

Table 24: Programme 5: Key performance indicators, planned targets and actual achievements (continued)

Strategic objective: BE academic curricula and CPD programmes that embody issues of health and safety in construction, environmental sustainability, job creation through labour intensive construction as well as the IDMS.					
Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
5.2 Number of research reports to inform CBE's transformation Strategy.	-	Bench marking study on Transformation best practice best practice by 31 March 2018.	Achieved. Bench marking study on Transformation best practice best practice was conducted and a detailed report with recommendations on best practice for transformation, based on research findings was developed to inform CBE's Transformation Strategy.	None	None

Table 25: Programme 5: Linking performance with budget

Programme /activity/ objective	2016/17			2017/18		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
5.1 Number of implementation plans incorporating new knowledge in BE curricula.	496	466	30	181	181	0
5.2 Number of research reports to inform CBE's transformation Strategy.	0	0	0	340	160	180

4. SUMMARY OF FINANCIAL INFORMATION

The CBE receives its funding from National Treasury via DPW for its operations. During the reporting period, the CBE was able to meet all its administrative obligations with the allocated amount of R48.568 million. The CBE's baseline budget allocation covers operational costs and core business projects, which entails the cost of employment, occupational costs (office rental), audit fees, travel and accommodation expenses, bursary scheme, and consulting fees as the main cost drivers. The Council also receives a levy income from the CBEP who contributed R2 041 million for professionals and candidates registered with them.

4.1 Revenue Collection

The table below provides a breakdown of the sources of revenue:

Table 26: Sources of Revenue

Source of revenue	2017/2018			2016/2017		
	Estimate	Actual Amount Collected	(Over) / Under Collection	Estimate	Actual Amount Collected	(Over) / Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government grant from DPW	48 568	48 568	0	43 413	43 413	0
Levies	2 011	2 120	(109)	2 000	2 080	(80)
Interest	810	821	(11)	233	267	(34)
Other operating income	817	926	(109)	15	678	(663)
Total	52 206	52 435	(229)	45 661	46 438	(777)

Reasons for the (over) / under collection

4.1.1 Government Grant from DPW

The grant income from DPW was received as budgeted.

4.1.2 Levies Received

The levy figures are subject to fluctuation as it solely depends on member's payments. The slight increase is due to an increase in memberships.

4.1.3 Interest Income

The CBE is currently optimising its revenue. The interest received was more due to the delay in certain projects, which resulted in cash being invested for a longer period.

4.1.4 Other Operating Income

The major contributor for the amount over collected was the reversal of a debt impairment.

4.2 Programme Expenditure

Table 27: Expenditure per Programme

Programme	2017/2018			2016/2017		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
Programme 1: Administration	42 156	41 884	272	38 897	38 549	348
Programme 2: Skills for Infrastructure Delivery	7 888	7 243	645	4 925	8 224	(3 299)
Programme 3: BE Research, Information and Advisory	601	728	(127)	1 080	881	199
Programme 4: Regulation and Oversight of six BEPCs	1 040	930	110	759	598	161
Programme 5: Government Policies and Priorities	521	341	180	0	0	0
Total	52 206	51 126	1 080	45 661	48 252	(2 591)
Assets (additions)	0	1 340	(1 340)		5 134	(5 134)
Total including assets (additions)	52 206	52 466	(260)	45 661	53 386	(7 725)

Reasons for (over) / under expenditure

4.2.1 Administration

The difference relates mainly to asset additions which were budgeted for as expenditure under this Programme.

4.2.2 Skills for Infrastructure Delivery

The under-expenditure was due to savings in travel and the delay in appointing mentors.

4.2.3 BE Research, Information and Advisory

There was over-expenditure in this Programme due to a request from the Minister for a CBE official to join the DPW delegation to Cuba.

4.2.4 Regulation and Oversight of six BEPCs

The under-expenditure was due to funds that were ring-fenced for appeal of the IDoW exemption applications to the Competition Commission (CC) case. Previously, the CBE employed consultants to hear appeals; however, during the latter part of the year appeals were managed internally, which resulted in a cost saving.

4.2.5 Government Policies and Priorities

There was a saving on travel cost.

The table below indicates that there were no infrastructure projects during the reporting 2017/18 and the prior 2016/17 financial years:

Table 28: Infrastructure projects

Infrastructure projects	2017/18			2016/17		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
None	None	None	None	None	None	None

There were no major maintenance projects undertaken during the period under review. There were also no maintenance backlogs experienced during the year under review.

4.3 Capital Investment

The CBE did not have any infrastructure projects during the current and prior years.



PART C: GOVERNANCE

1. INTRODUCTION

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

- a. Creating an appropriate, ongoing and dynamic monitoring system of checks and balances;
- b. Implementing a system to ensure the CBE complies with its legal and regulatory obligations;
- c. Implementing a process to identify and manage risks that threaten the sustainability of the CBE's mandate; and
- d. Developing practices, which make and keep the CBE accountable to its stakeholders.

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

2. EXECUTIVE AUTHORITY

The Minister of Public Works (the Minister) is the executive authority of the CBE.

3. THE ACCOUNTING AUTHORITY / COUNCIL

3.1 Introduction

The Council for the Built Environment Act 43 of 2000 (the Act), establishing the CBE, was passed by Parliament in November 2000, along with Acts regulating and re-establishing the six Councils for the Built Environment Professions. The Act became operational in September 2001, following the establishment of the six councils for the professions for architects, engineers, landscape architects, project and construction managers, property valuers and quantity surveyors.

Some of the key functions assigned to the CBE by the Act include:

- a. Advise government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;
- b. Facilitate inter-ministerial co-operation concerning issues relating to the built environment;
- c. Provide advice and consultation on national policy that could impact on the built environment, human resource development in relation to the built environment professions and the recognition of new professions;
- d. Comment, if necessary, on all proposed legislation impacting on health and safety in the built environment;
- e. Advise the councils for the professions on matters of national importance where the needs of the State, as communicated to the Council through the relevant Minister, require joint and coordinated action by the built environment professions;
- f. Ensure the consistent application of policy by the councils for the professions with regard to: accreditation, registration of different categories of registered persons, key elements of competence testing of registered persons, codes of conduct to be prescribed by the councils for the professions, principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions Acts and 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. Act as an appeal body with regard to matters referred to it in terms of the 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 BEPs.

3.2 The Role of Council

The role and responsibilities of the Council are to -

- (1) Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the councils for the professions, DPW, the Ministry of Public Works and other stakeholders of the organisation along sound corporate governance principles.
- (2) Appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - a. Contributing to and approving the strategy.
 - b. Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management.
 - c. Identifying key performance and risk areas.
 - d. Ensuring that the strategy will result in sustainable outcomes.
 - e. Considering sustainability as a business opportunity, that guides strategy formulation.
- (3) Provide effective leadership on an ethical foundation.
- (4) Ensure that the organisation is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the organisation, but also the impact that the business operations have on the environment and the society within which it operates.
- (5) Ensure that the organisation's ethics are managed effectively.
- (6) Ensure that the organisation has an effective and independent Audit and Risk Committee.
- (7) Be responsible for the governance of risk.
- (8) Be responsible for IT governance.
- (9) Ensure that the organisation complies with applicable laws and considers adherence to non-binding rules and standards.
- (10) Ensure that there is an effective risk-based internal audit.
- (11) Appreciate that stakeholder perceptions affect the organisation's reputation.
- (12) Ensure the integrity of the organisation's quarterly and annual reports.
- (13) Act in the best interests of the organisation by ensuring that members:
 - a. Adhere to legal standards of conduct.
 - b. Are permitted to take independent advice in connection with their duties following an agreed procedure.
 - c. Disclose real or perceived conflicts to the Council and deal with them accordingly.

- d. Deal in securities only in accordance with the policy adopted by the Council.
- (14) Commence business rescue proceedings as soon as the organisation is financially distressed.
- (15) Appoint and evaluate the performance of the CEO.

The Council should do everything necessary to fulfil its role set out above.

The following challenges presented during the financial year:

- a. Vacancies on Council not filled within the statutory time limit.
- b. Governance challenges at the councils for the professions continues to test the relationship between CBE and the CBEP.

3.3 The Composition of Council

The Act stipulates that Council comprises 20 (non-executive) members appointed by the Minister of Public Works consisting of:

- a) One representative from the department;
- b) Not more than three persons nominated by state departments within whose functional areas the professions are also practiced; taking due cognisance of provincial participation;
- c) Two representatives nominated by each council for the professions; and
- d) Not more than four persons nominated by the public through an open process of public participation.

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), Chief Operations Officer (COO) and Chief Financial Officer (CFO) attend meetings of Council and its relevant Committees. The CEO and CBE staff are responsible for operational matters.

3.4 Council Meetings

There were nine meetings of Council during the 2017/18 financial year, these being:

- Scheduled meetings (4)
- Special meetings (2)
- Corporate Governance training (1)
- Strategic Planning (1)
- Meeting with the Minister of Public Works (1)

Council approved and/or noted the following items at the meetings:

Items Approved

- 2016/17 Annual Report
- 2017/18 Budget Allocation and Adjustment
- Travel Management Bid
- 2017 Cost of Living Increase

- Job Evaluation and Skills Gap Analysis Report
- Council Preparatory Allowance
- IT Governance Framework
- Recruitment Process and Appointments of CEO, CFO and COO
- Updated SCM Policy
- Launch of the *CBE Bulletin*
- Commencing the nomination process for the fifth term of office Council and appointing the Selection Panel
- Appointment of Chairpersons and Members of a Standing Appeal Committee on a rotational basis
- 2018/19 Corporate Meeting Calendar
- 2018/19 Annual Performance Plan (APP) for submission to DPW
- CBE's position on the CBEP' PFMA Compliance / Principles
- IDoW Action Plan and CBE's Position on the IDoW
- Audit and Risk Committee Charter
- Revised Social and Ethics Policy
- Extending the mentors' contracts for the Structure Candidacy Programme to three years

Items Noted

- Quarterly reports from the Chairpersons of EXCO, ARC, FHLC, BEMC, and the CEO
- Legal Compliance reports and the Strategic Risk Register
- Minister's approval to proceed with recruiting a CEO
- Status quo on the former CEO's labour dispute
- 2017/18 Unqualified Audit
- The court application, instituted by South African Institution of Civil Engineering (SAICE) against the Minister and the Engineering Council of South Africa (ECSA), seeking to review of the appointment process of ECSA's Council
- Council and Officers' Indemnity Cover of R10 million at a total premium of R14,000 per annum
- Internal Audit Charter as approved by ARC

Table 29: Fourth Term of Office Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
IM Nkosi (Chairperson)	5(2)(c) SACPCMP	1 August 2014	-	Dip (Civil Engineering); BSc (Construction Management); MSc (Project Management)	Construction Project Management Infrastructure Programme Management Property Development Facilitation Construction Management	IN-TPM Project Managers IN and Associates Project Managers MIO-Liviero Garankuwa (PTY) Ltd	Vice President SACPCMP Chair: Finance Committee EXCO Member CBE: Chair Council Chair: EXCO Chair: EXCO & Presidents' Forum FHLC Member BEMC Member	41
NF Sithole (Deputy Chairperson)	5(2)(d) Public	1 August 2014	-	BCom Hons; CA	Finance; Eskom; Umgeni Water; KPMG		Vice President: Public Relations for the Central Centurion Toastmasters Club CBE: Deputy Chair: Council EXCO & President Forum Member ARC member	36
Dr CA Breed	5(2)(c) SACLAP	1 August 2014	-	PhD (Pretoria); MDes (dist) (Mexico); BLArch (Pretoria); PLArch	Landscape Architecture; Lecturer	CityScape Design Lecturer, University of Pretoria ILASA National Executive Committee & President	CBE: Council Member BEMC Member	5

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
ND Lombard	5(2)(c) SACAP	1 August 2014	-	Introductory Architectural Drawing National Technical Certificate Part 3	SAID President Architectural Consultant for a Residential Security Development Resident		SACAP: Council Member CBE: Council Member FHLC Member	16
N Maharaj	5(2)(d) Public	1 August 2014	6 May 2016	BProc; LLB	Legal; Company Secretary; PFMA; Corporate Governance & Board Effectiveness; Financial & Accounting Principles for Public Entities		Chairperson South Rand Hospital Board; NADEL; RTMC; HCT Company Secretary; Chairperson Audit & Performance Committee of Setsoto Local Municipality; PFMA & MFMA Bid Committees CBE: Council Member EXCO Member EXCO & Presidents' Forum Member Chair FHLC BEMC Member ARC Member	0

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
EG Makongwana	5(2)(c) SACPP	1 August 2014	-	BTech: QS; MSc: Property Development & Management			<p>Board Member for Valuation appeals for Ekurhuleni</p> <p>Alternate board member for City Johannesburg</p> <p>Board member for Valuation appeals board Westonaria, Randfontein and Mogale City</p> <p>CBE: Council Member BEMC Member</p>	16
JL Margolius	5(2)(c) SACPP	1 August 2014	-	Nat Dipl: Property Valuations; Arbitrations; Mediation; M. Phil (Construction, Economics & Management) UCT Certificate of Real Estate	<p>Property Valuation, Sectional Title, Arbitration and Mediation</p> <p>Property Management Real Estate</p> <p>Litigation Support and Expert Witness (Property matters)</p> <p>Property Law</p>	<p>Jerry L Margolius & Associates CC</p> <p>Arbitration & Appraisal Services CC</p> <p>Jonic Trust (Trustee), CTJC C (PTY) Ltd</p> <p>Rates Watch Cape CC</p> <p>Arabella Country Estate Home Owners Association (non- executive Director)</p>	<p>Margin Property valuation services (Pty) Limited (Consultant)</p> <p>Member of Western Cape Provincial Government Property Committee</p> <p>Chairman; Hatfield Management Committee</p> <p>Ministerial Task Team Land Valuer General, Editor-The Valuer manual (Lexus)</p> <p>CBE: Council Member Member of FHLC</p>	14

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
Dr ZT Mathe	5(2)(c) ECSA	1 August 2014	-	BSc Chemical Engineering; Doctor of Phil; Master of Business Leadership	Power Plant Design Project and Engineering Management Strategic and Business Development Project controls Corporate Governance Project and Technology Development	ECSA Council UCT Chemical Engineering Advisory Board Mayibuye Works Zwanani consulting Special economic Zones Advisory Board	ECSA: Council Member Chair Central Registration Committee CBE: Council Member Chair BEMC EXCO Member EXCO & Presidents Forum Member	24
D Michell	5(2)(c) SACPCMP	1 August 2014	-	NUS Power Plant-Eskom; SPO Units-Eskom; SAMTRAC – NOSA; IT IS – NOSA; Loss Control Management (ILCI); OHSAS18001 Systems (SABS); OHSAS18001 Auditor (SABS); MBISA Lead Auditor (MBISA); Outcomes Based Assessor; Coaching and Outcomes Based Education	Construction Health and Safety	Member: Concept Safety System	SACPCMP: Council Member Chair CHS Committee DCC Member CBE: Council Member BEMC Member	12
Prof KA Michell	5(2)(c) SACQSP	1 August 2014	-	BSc (QS); M. Phil; D. Phil.	Quantity Surveying; Academia		President SACQSP CBE: Council Member FHLC Member	19
C Mtshisa	5(2)(a) Department of Public Works	1 August 2014	-	Honours in Labour Relations and Labour Law			CBE: Council Member BEMC Member	7

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
ZC Mvalo	5(2)(b) Department of Higher Education	1 August 2014	-	BA (SW) Master in Public Administration Post Graduate Diploma in Employment Law and Social Security Bachelor of Law	Corporate Services Human Resources Labour Relations Skills Development		CBE: Council Member BEMC Member	9
A Lee (née Sassenberg)	5(2)(c) ECSA	1 August 2014	-	NHDT (Eng) Civ; Pr Tech Eng; Project Management	Civil (infrastructure) and Structural Designs Construction Project Management Commercial development Light commercial development Interior design Functions facilitator	AMS consultants (sole proprietor) Hectotrim (light industrial development company) Cherrymoss (commercial development company) Scoreprops (commercial development company) Promania t/a Celebrations (functions and venue company)	ECSA: Transformation Marketing Professional registration SASFA technical design SANS 517 CBE: Council Member Member FHLC	24
RG Sefotho	5(2)(d) Public	1 August 2014	-	Advanced Management Development Programme NQF Level 6	Journalism; Outcomes Based Assessment; Public Relations	Thaboiko Trading cc T and K Enterprise (PTY) Ltd	Member of Disabled People of South Africa- Northern Cape CBE: Council Member BEMC Member	27

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit and Risk Committee / Ministerial task team)	No. of Meetings attended
AA Steyn	5(2)(c) SACLAP	1 August 2014	10 February 2016	BSc Larch; MLA	Landscape Architecture		SACAP: Council Member FHLC Member	0
S Thubane	5(2)(c) SACAP	1 August 2014	-	BAS Diploma in Project Management BSc Hon. Construction Management	Senior Technologist		SACAP: Council Member IDoW Member CBE: EXCO Member BEMC Member	16
MM Tshangela	5(2)(c) Department of Environmental Affairs	1 August 2014	-	BSc; MSc: Technology Management	Policy Advisor		CBE: Council Member BEMC Member	3

3.5. Council Committees

3.5.1 Statutory Committees

- Executive Committee (EXCO), as prescribed and mandated in the Act
- Audit and Risk Committee (ARC), as prescribed and mandated in the PFMA

3.5.1.1 Executive Committee

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

- Ensure that the resolutions of Council are carried out;
- Consider any matter delegated to it by Council in terms of any law, and advise Council in connection therewith;
- Prepare estimates of revenue and expenditure of Council;
- Control the expenditure of monies voted by Council in its approved estimates and all other monies or funds made available by the Council;
- 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;
- Report at every ordinary meeting of Council on the activities of the committee;
- 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);
- Oversee Risk Governance with reference to:
 - The review of performance information as per the quarterly and annual reports prepared by management
 - 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; and
- Make recommendations to Council on the above and inform Council of decisions finalised in terms of the Council's delegation.

During the 2017/18 financial year, four ordinary meetings and two special EXCO meetings took place where the following items were approved and/or noted:

Items Approved

- 2017/18 First Quarter Report for submission to DPW (31 July 2017).
- 2017/18 Second Quarter Report for submission to DPW (31 October 2017).
- 2017/18 Third Quarter Report for submission to DPW (31 January 2018).
- 2017/18 Fourth Quarter Report for submission to DPW (30 April 2018).
- CEO's Quarterly Review.

Items Noted

- Quarterly Strategic Risk Register, Risk Management Report, IT Governance Report, Legal Compliance Report, Stakeholder Management Report, and IDoW Progress Report.
- Former CEO's unfair dismissal hearing was still pending before the Commission for Conciliation, Mediation and Arbitration (CCMA).
- The Auditor-General's (AGSA's) Management Letter and Audit Report of an unqualified audit with findings.

3.5.1.2 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 the CBE's risks, with reference to the entity's available resources, expertise, resources and experience of financial management, supply chain management, and the internal audit function. The ARC has a charter that outlines its terms of reference.

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

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

The ARC held six meetings during the 2017/18 financial year, two of which were special meetings. The following were important discussion points and dealt with as follows:

Items recommended for Council's approval:

- Annual Financial Statements
- 2016/17 Annual Report
- AGSA's Engagement Letter and Audit Strategy for year ending 31 March 2018
- Audit and Risk Committee Charter

Items Approved

- Internal Audit Charter and current year execution plan

Items Noted

- Reports provided on quarterly basis: Quarterly Reports, Finance/Expenditure Report, Procurement Report, Corporate Governance Report, Performance Report, Strategic and Operational Risk Registers, Risk Management Report, IT Governance Report, Legal Compliance Report, AGSA Dashboard Report, Internal Audit Reports and Work Plan,
- Six Month Financial Statements and deemed it auditable
- 2018/19 Annual Performance Plan
- IT Policies

3.5.2 Other Committees

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

3.5.2.1 Finance, Human Resources and Legal Committee

The mandate of the FHLC is as follows:

a. Finance

- (i) Consider matters of financial strategy and policy (including procurement and SCM), risk management and insurance as they relate to the operation of the CBE, in particular the optimum use of available and potential financial resources (including internal investment options and their rate of return);
- (ii) Consider and assess investment opportunities available to the CBE in respect of all funds, which it administers, and determine the manner and extent to which funds are to be invested with a view to ensuring both security and optimisation of income;
- (iii) Review the annual financial statements of the CBE in conjunction with ARC, and make recommendations to Council;
- (iv) Receive and consider budget proposals from the Executive and recommend the annual operating and capital budgets to Council;
- (v) Monitor compliance with the PFMA in respect of matters relating to the CBE Act;
- (vi) Review the adequacy of the working capital by comparing cash focus against the actual;
- (vii) Receive reports of fraud relating to the CBE;
- (viii) Report on activities of the Committee at every ordinary meeting of the Council;
- (ix) Establish an annual work plan to ensure that all relevant matters of the Committee's roles and responsibilities are covered;
- (x) Receive recommendations from the Bid Specification, Bid Evaluation, and Bid Adjudication Committees (BAC) as prescribed in the SCM policy; and
- (xi) Take resolutions, make recommendations, receive information and consult as required by the DOA.

b. Human Resources

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

c. Legal

- (i) Deal with the BE Policy proposal by DPW relating to the repeal of the CBE Act;
- (ii) Deal with the Identification of Work (IDoW); Appeals; Planning, Monitoring and Evaluation; and other legal compliance matters within the CBEP;
- (iii) Deal with Corporate Governance matters in Council;
- (iv) Receive information on the data base of Appeals Committee members and recommend inclusions on the database to Council; and
- (v) Receive appeal findings and make recommendations to Council on required corrective action identified by Appeal Committees.

d. Planning, Monitoring and Evaluation Matters

Consider planning, monitoring and evaluation functions of the CBE and make recommendations to Council in pursuance of the Council's mandate and strategic objectives.

e. Social and Ethical Matters

- (i) To monitor the CBE's activities, having regard to relevant legislation, legal requirements and good practice with specific reference to (2) to (6) below;
- (ii) To promote ethical standards and guidelines for acceptable behaviour amongst all employees;
- (iii) 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; and
- (e) To undertake initiatives to promote greater environmental responsibility by encouraging the use of environmental friendly technologies.
- (iv) To promote consumer interests within the ambit of the CBE's mandate;
- (v) To enhance the CBE's employment relationship and contribute within its means towards the educational development of its employees;
- (vi) To promote an environment where open communication is expected and protected; and
- (vii) To report to Council on an annual basis on its findings, and more frequently if occasion requires.

During the 2017/18 financial year, seven FHLC meetings were held, three of which were special meetings. The following important issues were considered and dealt with as follows:

Items Approved

- Liability Cover for Council and Officials of R10 million at the cost of R14,000 per annum
- ICT Strategic Plan for 2017-2020

Items recommended for Council's approval:

- Payment of preparatory allowance for Council and Committee members
- Midterm Budget Review / Budget Adjustments
- Extension of mentors' contract for Structure Candidacy Programme to three years
- Revised Social and Ethics Policy
- Amended Procurement Plan
- Revised SCM Policy
- Reviewed HR Policies
- IT Policies
- Appointment of a Standing Appeal Committee
- Payment of preparatory allowance for Council and Committee members
- Midterm Budget Review / Budget Adjustments

Items Noted

- Quarterly Expenditure Report, Procurement Report, Risk Registers, HR Report, Appeal Outcomes, List of Active Contracts, Legal Compliance Report
- Annual Financial Statement and Audit Report

3.5.2.2 Built Environment Matters Committee

The mandate of 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; and
- h. Consider and recommend all CBE policies not considered by the FHLC to Council.

BEMC held four meetings during the 2017/18 financial year. The following important issues were considered and dealt with as follows:

Items recommended for Council's approval:

- Launch of a monthly *CBE Bulletin*
- Transformation Indaba Report
- CBE's position on the CBEP' PFMA Compliance Principles aligned with outcomes of the PFMA Workshop
- Corporate Governance Framework aligned to King IV Report
- IDoW Action Plan and CBE's position on the IDoW

Items Noted

- Quarterly Performance Reports
- Following up on unachieved quarterly and annual targets
- PFMA Compliance Report and outcome of PFMA Workshop
- Research capacity augmented in collaboration with University of Johannesburg
- Project Scopes

Table 30: Committees' composition and meetings

Council Committee	Number of meetings planned	Number of meetings held	Committee membership	No of members
EXCO	4	6	IM Nkosi (Chairperson) NF Sithole (Deputy-Chairperson) Prof. KA Michell Dr ZT Mathe S Thubane (Alternate Member)	5
ARC	5	6	D Coovadia (External Member) M Mothipe / P Stock (External Member) F Docrat (External Member) NF Sithole (Council Member) A Lee (Council Member)	5
FHLC	4	7	Prof. KA Michell (Chairperson) ND Lombard JL Margolius A Lee IM Nkosi RS Sefotlho ZC Mvalo	7
BEMC	4	4	Dr ZT Mathe Dr CA Breed EG Makongwana D Michell C Mtshisa ZC Mvalo RG Sefotlho S Thubane MM Tshangela	9
COUNCIL	4	9	IM Nkosi (Chairperson) NF Sithole (Deputy Chairperson) Dr CA Breed ND Lombard EG Makongwana JL Margolius Dr ZT Mathe D Michell Prof. KA Michell C Mtshisa ZC Mvalo A Lee RG Sefotlho S Thubane MM Tshangela	15

3.6 Council Remuneration

In accordance with the National Treasury prescript, the Minister of Public Works approved the remuneration rate for Council on 22 January 2013 as Category Classification A2 (part time members), with an annual adjustment.

The following members are not remunerated, in terms of their public service designation:

- C Mtshisa
- ZC Mvalo
- MM Tshangela

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

Table 31: Council Remuneration

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

Table 32: Fourth Term of Office Council remuneration

Name	Remuneration	Other allowance	Other re-imbursments	Total
IM Nkosi (Chairperson)	147	-	19	166
NF Sithole (Deputy Chairperson)	131	-	9	140
Dr CA Breed	18	-	-	18
ND Lombard	51	-	3	54
EG Makongwana	56	-	34	90
JL Margolius	32	-	-	32
Dr ZT Mathe	90	-	6	96
D Michell	47	-	5	52
Prof. KA Michell	67	-	4	71
C Mtshisa	-	-	-	-
ZC Mvalo	-	-	-	-
A Lee (Sassenberg)	125	-	53	178
RG Sefotlho	91	-	15	106
S Thubane	45	-	2	47
MM Tshangela	-	-	-	-
D Coovadia (Audit Committee External Member)	84	-	7	91
M Mothipe (Audit Committee External Member) (Resigned)	33	-	1	34
F Docrat (Audit Committee External Member)	123	-	7	130
P Stock (Audit Committee External Member)	12	-	-	12

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. The CBE's internal auditor, O.M.A. Chartered Accountants Inc., and the Audit and Risk Committee play a vital role in Risk Management. The principles of good governance require Council, as the Accounting Authority, to be directly responsible for Risk Management and planning. Risk Management is also a compliance requirement, as per the PFMA.

During the period under review, the following activities were undertaken:

- A Strategic Risk Management workshop was held on 26 October 2017 with Management, where the strategic risks were identified, assessed and prioritized
- Strategic risk registers and risk reports were compiled, updated on a quarterly basis and submitted to Council and Audit and Risk Committee, for monitoring thereof
- The Risk Management Framework, Policy and Strategy were revised and will be resubmitted to Audit and Risk Committee and Council for approval in the upcoming financial year

Materiality Framework

The CBE is dependant mainly on its grant allocation for the execution of its mandate and its administrative operations. The CBE has therefore set its materiality level at 0.5% of its grant allocation, in line with the International Auditing Standard 320 paragraph 3 and in compliance with the PFMA. Any item that, by its nature, is considered fruitless, wasteful, irregular or criminal conduct will be deemed material, irrespective of the amount. The transaction will be considered significant if its value or aggregate value of similar transactions exceeds R200 000. This figure is being revised to R30 000 and the executive authority will be consulted as per Treasury Regulation 28.3.1 and sections 55(2) and 54(2) of the PFMA which states that "the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority."

5. INTERNAL CONTROL UNIT

The AGSA finalised the 2016/17 financial year audit during the period under review. The audit covered all operational areas within the CBE viz. performance information, finance, SCM, IT, and HR. The Audit Steering Committee, which comprises CBE management, internal audit and AGSA representatives, held meetings on a weekly basis to track the audit progress. The outcome was an unqualified audit with 73% achievement of planned targets. There were numerous internal control issues raised by the internal and external auditors, which were addressed and corrected as a focus area in the 2017/18 financial year.

The 2016/17 audit matrix, with action plans on how to mitigate findings raised by the external auditors, was submitted to the ARC for continuous monitoring. The audit matrix, containing findings raised by the internal auditors within the financial year, was also submitted to the ARC during the period under review.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

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 the CBE's risks, with reference to the entity's available resources, expertise, resources and experience of financial management, supply chain management, and the internal audit function. The ARC has a charter that outlines its terms of reference.

Internal Audit Function

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

The CBE's internal auditors, O.M.A. Chartered Accountants have been continuously submitting written audit reports to ARC, based on the approved audit plan. These reports were based on the status of the internal audit activities performed, which were, amongst others:

- Significant findings and management action plans;
- Follow up on previously reported audit findings; and
- Fraud and non-compliance with legislation.

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

- Review of Internal Audit and Audit and Risk Committee Charter
- General Recognised Accounting Practice (GRAP) Compliance Review of
- Unaudited Financial Statements
- Review on performance information against objectives in Quarterly Reports
- Follow up on findings and assess adequacy and effectiveness of controls in the Skills Development Programmes
- Follow up on findings raised by the AGSA
- Review of Financial Discipline – cash management; travel expenditure; and fixed assets
- Supply Chain and Expenditure Management
- Follow up on Internal Audit findings: Information Technology
- Human Capital Management
- Stakeholder Management
- Governance and Compliance

Key activities, objectives and function of the 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 independent experts and two Council members. The ARC Chairperson is one of the independent experts serving on the Committee. The ARC has satisfied itself of the expertise, resources and experience of the CBE finance, SCM, procurement and internal audit function. The ARC has a charter 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; and
- b. The disclosure regarding risk is comprehensive, timely, and relevant.
- c. Review the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive information and prospectuses, trading statements and similar documents;

- d. Comment on the annual financial statements, the accounting practices and the effectiveness of the internal financial controls;
- e. Review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information;
- f. Recommend to Council the engagement of an external assurance provider on material sustainability issues;
- g. Recommend the integrated report for approval by Council;
- h. Consider the frequency for issuing interim results;
- i. Consider whether the external auditor should perform assurance procedures on the interim results;
- j. Review the content of the summarised information for whether it provides a balanced view; and
- k. Engage the external auditors to provide assurance on the summarised financial information.

The table below discloses relevant information on the ARC members.

Table 33: Disclosure of ARC members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
D Coovadia	CA	External member	-	6 December 2010 (1st Term) 6 December 2014 (2nd Term)	-	6
M Mothipe	CA	External member	-	7 February 2013 (1st Term) 6 December 2014 (2nd Term)	July 2017	3
F Docrat		External member	-	6 December 2014 (1st Term)	-	11
P Stock	CA	External member	-	24 November 2017 (1st Term)	-	1
NF Sithole	CA	Council member	-	1 August 2014	-	3
A Lee	NHDT (Eng) Civ; Pr Tech Eng; Project Management	Council Member	-	1 August 2014	-	4

7. COMPLIANCE WITH LAWS AND REGULATIONS

Council adopted a Compliance Policy during the previous financial year, according to which quarterly reporting on compliance with legislation and policies and pending litigation is undertaken on ARC, FHLC, EXCO and Council.

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 the Treasury Regulations.

A Whistle Blowing Policy and Procedure is in its draft stage.

During the period under review, an external fraud hotline service provider was contracted for a period of three years. There were two incidents reported to the fraud hotline. One incident is pending a preliminary investigation as at end of the financial year. The other incident involved a CBE staff member. A disciplinary process had commenced, however it could not be finalised due to the resignation of the said member.

There were (four) quarterly awareness workshops held during the financial year.

9. MINIMISING CONFLICT OF INTEREST

Employees of the CBE may not have an interest, financially or otherwise, which may be a conflict of interest with the business of the entity - such as with a South African Government institution. Employees may not perform remunerated work outside the scope of their CBE job profile without permission of the accounting authority.

Annual disclosure forms were completed by all employees. A special declaration process was also followed for employees involved in the procurement chain. Declared companies were reviewed for compliance with the policy and action was taken for those found not to have complied.

10. CODE OF CONDUCT

The Code of Conduct policy was developed to guide employees on acceptable ethical behaviour in the workplace. The policy is reviewed annually to ensure legislation updates and identified gaps are incorporated. In line with the Code of Conduct policy, all employees are reminded on an annual basis to adhere to the policy requirements. Newly appointed employees were inducted on the policy and all have signed acknowledgement.

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Health and Safety policy was developed as a guide to ensure compliance with the Occupational Health and Safety Act. The CBE is firmly committed to the provision and maintenance of a healthy, safe and conducive work environment. To this end, the CBE relocated to a safer building.

The health and safety team of eight representatives met on a monthly basis to discuss matters pertaining to health and safety, and areas of risks and hazards at the workplace.

12. COMPANY SECRETARY

The Fourth Term of Office Council instituted the company secretary function in support of Council and its committees. An important component of the function is to report on compliance to Council and its committees, and to oversee the implementation of the Social and Ethics Action Plan in accordance with the Social and Ethics Policy. Council approved a reviewed Social and Ethics Policy. Council attended training on King IV Corporate Governance and refreshed its commitment to the principles of good governance as embedded in the King IV Report.

13. SOCIAL RESPONSIBILITY

A Social and Ethics Policy and Implementation Plan was adopted by Council, whereby it took responsibility for ethical leadership and to:

- (i) set the tone and lead ethically and effectively
- (ii) ensure that the CBE's ethics are managed effectively
- (iii) ensure that the CBE is a responsible corporate citizen

The CBE approached the NDPW's Gender Monitoring and Evaluation Directorate who work with numerous community organisations and schools nationwide to assist with the donation of CBE's obsolete furniture. The under mentioned schools received the donations listed on 23 March 2018.

a. Mamelodi High School

- 50 Typist chairs with arms
- 15 Visitors chairs with arms
- 1 Boardroom table (22 seater)
- 2 Boardroom table extensions
- 1 Side server for main boardroom

b. Lehlabile High School (who performed at the 2017 Transformation Indaba)

- 19 Typist chairs
- 5 Visitors chairs with arms
- 6 Black movie chairs
- 3 Lucea 2000 with LC40 arms
- 1 Lucea 1500 with LC40 arms
- 5 Black Leather visitors' chairs

c. Agapé Nursery School (Secunda, Mpumalanga)

- 16 Safari visitors' chairs
- 1 Side server
- 1 Oval boardroom table

14. AUDIT AND RISK COMMITTEE REPORT

The following ARC report is for the financial year ended 31 March 2018.

Audit and Risk Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 51 (1)(a)(ii) of the PFMA and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that it has not reviewed changes in the accounting policies and practices.

Members

Number of meetings attended

Mr D Coovadia (Chairperson) (External member)	6
Mr F Docrat (External member)	6
Ms P Stock (External member) (Appointed 24 November 2017)	1
Ms M Mothipe (External member) (Resigned 7 August 2017)	3
Ms N Sithole (CBE Council)	3
Ms A Lee (CBE Council)	4

Meetings held requiring Audit (External Members) involvement:

Audit and Risk Committee

The Effectiveness of Internal Control

The internal audit findings, based on risk assessment in the public entity, revealed certain weaknesses. These were raised with the CBE:

- Inconsistent alignment of Project Scopes to the APP to ensure targets were achieved
- Risk Management

The system of internal control was partially adequate and partially effective for the year under review. Several deficiencies in the system of internal control, including deviations from it, were reported by the internal auditors and AGSA. The Audit Committee however, based on the reports of internal and external auditors, is of the opinion that the internal control system continues to improve.

The following internal audit work was completed during the year under review:

- Review of Internal Audit and Audit and Risk Committee Charter
- Unaudited Financial Statements GRAP Compliance Review
- Quarterly Reports – review of performance information against objectives
- Skills Development Programmes – follow up on findings and assess adequacy and effectiveness of controls
- Follow up on findings raised by AGSA
- Review of Financial Discipline – cash management, travel expenditure, and fixed assets
- Supply Chain and Expenditure Management
- Follow up on Internal Audit findings: Information Technology
- Human Capital Management
- Stakeholder Management
- Governance and Compliance

The following areas of concern emerged:

- Inconsistent alignment of Project Scopes to the APP to ensure targets were achieved
- Internal control needs improvement
- Risk Management-weaknesses noted
- ICT

In-Year Management and Monthly/Quarterly Report

As a public entity, the CBE reports monthly and quarterly to the executive authority and National Treasury, as is required by the PFMA. The Audit Committee reports its satisfaction with the content and quality of the monthly and quarterly reports, prepared and submitted by the CBE during the year under review, to the Executive Authority.

Auditor's Report

The CBE's implementation plan was reviewed for audit issues raised in the prior year, and the ARC is satisfied that the matters have been adequately resolved.

The Audit Committee "concurs" and accepts the conclusions of the external auditor on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Dawood Coovadia CA (SA)

Chairperson: Audit and Risk Committee

31 May 2018

CBE MANAGEMENT



Lindy Jansen van Vuuren
Chief Financial Officer



Priscilla Mdlalose
Chief Executive Officer



Mokgema Mongane
Chief Operations Officer



Phuti Manamela
*Manager: Strategic Planning,
Monitoring and Evaluation*



Nana Mhlongo
Manager: Research and Policy



Adv Pieter Fourie
*Manager: Regulations and Legal
Services and Acting Company Secretary*



Sandile Boyi
Manager: Skills Development



Sarie Treeby
Manager: Finance



Tshepo Mashilompane
*Manager: Knowledge
Management and IT*



Ehrhard Visser
*Manager: Transformation
Programmes*



Zanele Makhathini
*Manager: Human Capital and
Facilities Management*



PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Overview

Human resources lie at the heart of the organisation. The Human Capital department is tasked with ensuring adequate capacity to achieve the mandate of the organisation. Other than regular HR administration, Human Capital's responsibilities include recruitment and selection, policy development and monitoring, performance management and development as well as the provision of an employee wellness programme.

The attraction and retention of top-class employees remains one of the organisation's key priorities. To this end all critical senior management positions were filled with highly skilled professionals - these were the appointment of an experienced Chief Financial Officer and Chief Operations Officer who play a central support role to the Chief Executive Officer towards achieving improved leadership and sound decision-making. The former Chief Operations Officer was appointed Chief Executive Officer through an inclusive recruitment process.

HR Priorities and its impact for the year under review

The recruitment of senior executive personnel prevailed among the priorities for the year, and its fulfilment has brought some level of visible leadership and presence of authority within the organisation.

Workforce Planning Framework and Key Strategies to attract and recruit a skilled and capable workforce

The organisation-wide job evaluation project concluded with jobs remaining mostly the same. This job evaluation exercise followed the job re-profiling process initiated in the previous year. The outcome of the job evaluation exercise yielded one upgrade and twelve downgrades. However, the downgrades will not be implemented on the status of currently affected positions, but on future recruits entering these positions.

There were two acting positions due to resultant vacancies at senior management level. These were filled towards the end of the financial year.

Employee Performance Management Framework

Performance management remains an integral part in ensuring achievement of quarterly and annual targets. Through a series of interventions of workshops, appraisal meeting sessions and intensive engagement at moderation level, a marked improvement in crafting the appraisal tool, assessments and moderation of scores have been realised. Performance incentives were paid to twenty-eight employees.

Employee Wellness Programmes

The CBE continues to provide an employee wellness programme through life management services, monthly health awareness articles and posters as well as preventative vaccines.

Much effort focuses on ensuring compliance with occupational health and safety standards in ensuring a healthy working environment. A successful Wellness Day was held on the World Aids Day, commemorated on 01 December 2017. Among the activities for the day was a presentation on the services available in the wellness programme, demonstration of a nutritional lunchbox and health wellness screening for conditions such as diabetes and HIV.

During the past year, the CBE relocated offices to a space conducive to reflect and enable its professional nature of work.

Policy Development

All Human Resources policies were reviewed. Ten out of the twenty reviewed policies were revised, based on identified gaps and the latest legislation updates. This review process was undertaken in consultation with employee representation and approved by Council.

Achievements

Ninety-nine percent (99%) of all funded positions in the organisational structure were filled during the year under review.

Challenges faced by the public entity

The majority of the workforce has recently been unionised. Effort needs to be steered towards establishing a relationship of mutual understanding by both the employer and the labour union, and clarifying processes in order to delineate areas of organisational compliance, matters of mutual interest and labour relations.

CBE made five acting appointments during the period under review. These were due to vacancies and temporary replacements for staff on maternity leave.

Future HR Plans / Goals

- Succession planning
- Developing an internship programme
- Developmental improvement of the performance management system

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 34: Personnel Cost by Programme/activity/objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Programme 1: Administration	41 883	15 249	36.4%	25	610
Programme 2: Skills for Infrastructure Delivery	7 243	4 063	56.1%	6	677
Programme 3: BE Research, Information and Advisory	728	2 876	395.0%	3	959
Programme 4: Regulation and Oversight of six BEPCs	930	2 300	247.3%	3	767
Programme 5: Government Policies and Priorities	341	-	0.0%	0	0
TOTAL	51 126	24 488²	47.9%	37	662

The total expenditure is the audited total expenditure for the 2017/18 financial year. Personnel expenditure is the total cost to company for all permanent employees paid during the 2017/18 financial year.

The personnel expenditure as a % of the total expenditure was calculated by dividing the personnel expenditure by the total expenditure multiplied by 100 to express as a percentage. Therefore the total % = R24 488 / R51 125 x 100 = 47.9%.

The average personnel cost per employee was calculated by dividing the personnel expenditure by the number of employees. Therefore the total % = R24 488 / 37 employees = R662 per employee.

Table 35: Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	Personnel exp. as % of total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	4 212	17.2%	4	1 053
Senior Management	7 286	29.8%	7	1 041
Professionally qualified	3 422	14.0%	5	684
Skilled	5 641	23.0%	8	705
Semi-skilled	3 680	15.0%	11	335
Unskilled	248	1.0%	2	124
TOTAL	24 488	100.0%	37	662

² The amount of R24 488 is the cost to company for all employees. The amount as per the Annual Financial Statements is R25 816. The difference is due to the 13th cheque accrual, telephone cost recoupment and other movements in provisions.

Table 36: Performance Rewards

Level	Performance rewards	Personnel Expenditure (R'000)	Performance rewards as a % of total personnel cost
Top Management	0	4 212	0.00%
Senior Management	48	7 286	0.20%
Professionally qualified	52	3 422	0.21%
Skilled	20	5 641	0.08%
Semi-skilled	0	3 680	0.00%
Unskilled	0	248	0.00%
TOTAL	120	24 488	0.49%

This table explains the actual amount paid in performance rewards during the 2017/18 financial year. Personnel expenditure is the total cost to company for all permanent employees paid during the 2017/18 financial year. The performance rewards as a % of the total personnel cost was calculated by dividing the performance rewards by the total personnel cost multiplied by 100 to express as a percentage. Therefore the total % = $R120 / R24\ 488 \times 100 = 0.49\%$.

Table 37: Training Costs

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
		(R'000)			
Programme 1: Administration	15 249	299	2.0%	16	19
Programme 2: Skills for Infrastructure Delivery	4 063	17	0.4%	2	9
Programme 3: BE Research, Information and Advisory	2 876	0	0.0%	0	-
Programme 4: Regulation and Oversight of six BEPCs	2 300	64	2.8%	3	21
Programme 5: Government Policies and Priorities	-	-	0.0%	0	-
TOTAL	24 488	380	1.6%	21	18

The training expenditure includes educational assistance for employees studying Risk Management, Property Development, Industrial and Organisational Psychology, Business Communication and Legal studies. Supervisors attended training on Introduction to Management. Senior Executives and managers involved in Strategic Planning, Legal, Board Secretariat and Human Capital attended training on Corporate Governance.

Table 38: Employment and Vacancies per Programme

Programme/activity/ objective	2016/17	2017/2018	2017/18	2017/18 Vacancies	% of vacancies
	No. of Employees	Approved Posts	No. of Employees		
Programme 1: Administration	21	26	25	1	3.8%
Programme 2: Skills for Infrastructure Delivery	4	6	5	1	16.7%
Programme 3: BE Research, Information and Advisory	4	4	3	1	25.0%
Programme 4: Regulation and Oversight of six BEPCs	2	3	3	0	0.0%
Programme 5: Government Policies and Priorities	0	0	0	0	0.0%
TOTAL	31	39	36	3	7.7%

Table 39: Employment and Vacancies per Level

Level	2016/17	2017/18 Approved Posts	2017/18	2017/18 Vacancies	% of vacancies
	No. of Employees		No. of Employees		
Top Management	2	3	3	0	0.0%
Senior Management	7	9	7	2	28.6%
Professionally qualified	5	6	5	1	20.0%
Skilled	7	8	8	0	0.0%
Semi-skilled	8	11	11	0	0.0%
Unskilled	2	2	2	0	00%
TOTAL	31	39	36	3	7.7%

The one senior management position of Skills Development Manager was vacant for three months while the other senior management position of Company Secretary was vacant for the whole financial year due to it being unfunded. The professionally qualified position of Senior Researcher has been frozen, pending the outcome of capacity review project. The vacancies at senior management level were managed through incumbents acting in these positions.

Employment Changes

During the period under review, the following changes took place:

- The position of Chief Executive Officer was filled with an internal candidate previously holding the position of the Chief Operations Officer.
- The following vacancies were also filled:
 - Manager: Knowledge Management and Information Technology
 - Transformation Projects Co-ordinator
 - Transformations Projects Officer
 - Strategic Planning, Monitoring and Evaluation Officer
 - Chief Operations Officer
 - Paralegal
- The position of Skills Development Manager became vacant through resignation.

Table 40: Employment Changes

Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	2	2	1	3
Senior Management	7	1	1	7
Professional qualified	6	1	0	7
Skilled	6	0	0	6
Semi-skilled	8	3	0	11
Unskilled	2	0	0	2
TOTAL	31	7	2	36

Table 41: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0.0%
Resignation	1	50.0%
Dismissal	0	0.0%
Retirement	0	0.0%
Ill health	0	0.0%
Expiry of contract	0	0.0%
Promotion	1	50.0%
TOTAL	2	100.0%

Table 42: Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	1
Dismissal	0

Table 43: Equity Target and Employment Equity Status

Level	MALE							
	African		Coloured		Asian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	1	1	0	0
Senior Management	2	2	0	0	0	0	2	1
Professionally Qualified	1	3	0	0	0	0	0	0
Skilled	3	3	0	0	0	0	1	1
Semi-skilled	1	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	8(66.7)	9(80.8)	0 (0.0)	0(8.7)	1(8.3)	1(2.6)	3 (25.0)	2(7.9)

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	0	0
Senior Management	2	3	0	0	0	0	1	0
Professional qualified	3	3	0	1	1	1	0	0
Skilled	2	2	0	0	1	0	1	1
Semi-skilled	8	8	1	1	0	0	1	1
Unskilled	2	2	0	0	0	0	0	0
TOTAL	18(75.0)	20(80.8)	1(4.2)	2(8.9)	2(8.3)	1(2.4)	3 (12.5)	2(8.0)

Level	PERSONS WITH DISABILITIES			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

There were no major variances. The CBE will endeavor to correct current variances.



PART E: FINANCIAL INFORMATION

Report of the Auditor-General to Parliament on the Council for the Built Environment

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Council for the Built Environment set out on pages 96 to 141, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council for the Built Environment as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Financial Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the Council for the Built Environment's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2018:

Programmes	Pages in annual performance report
Programme 2 - Skills for Infrastructure Delivery	31 - 36
Programme 3 - Built Environment Research, Information and Advisory	37 - 43
Programme 5 - Government Policies and Priorities	50 - 53

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 - Skills for Infrastructure Delivery
 - Programme 3- Built Environment Research, Information and Advisory
 - Programme 5 - Government Policies and Priorities

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on pages 23 to 53 for information on the achievement of planned targets for the year and explanations provided for the over achievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
18. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
22. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Other reports

24. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
25. There are two ongoing investigations with respect to the possible misappropriation of the public entity's resources being performed by the South African Police Services. One case relates to the former supply chain practitioner which occurred in the 2015-16 financial year and one case involving the former skills manager which occurred in the 2017-18.

Auditor-General.

Pretoria
31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the public entity’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council for the Built Environment’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease continuing as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Accounting Authority's Responsibilities and Approval

The CBE Council is required by the Public Finance Management Act (Act 1 of 1999) to maintain adequate accounting records, and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the CBE Council to ensure that the annual financial statements fairly present the state of affairs of the CBE as at the end of the financial year, and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements, and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates.

The CBE Council acknowledges that it is ultimately responsible for the system of internal financial control established by the CBE, and places considerable importance on maintaining a strong control environment. To enable the CBE Council to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the CBE, and all employees are required to maintain the highest ethical standards in ensuring the CBE's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the CBE is on identifying, assessing, managing and monitoring all known forms of risk across the CBE. While operating risk cannot be fully eliminated, the CBE endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The CBE Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The CBE Council has reviewed the CBE's cash flow forecast for the year to 31 March 2019 and, in light of this review and the current financial position, it is satisfied that the CBE has, or has access to, adequate resources to continue its operational existence for the foreseeable future.

The CBE is wholly dependent on the Department of Public Works for its continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the Department of Public Works has neither the intention nor the need to liquidate or curtail materially the scale of the CBE.

The external auditors are responsible for independently auditing and reporting on the CBE's annual financial statements. The annual financial statements have been examined by the CBE's external auditors and their report is presented on page 90.

The annual financial statements set out on pages 96 to 141, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2018 and were signed on its behalf by:



Isaac Mzumara Nkosi

Chairperson: Council for the Built Environment

Statement of Financial Position as at 31 March 2018

	Note(s)	2018 R'000	2017 R'000
Assets			
Current Assets			
Cash and cash equivalents	3	9 141	9 201
Other financial assets	4	2	-
Receivables from exchange transactions	5	644	67
Receivables from non-exchange transactions	6	489	307
		10 276	9 575
Non-Current Assets			
Property, plant and equipment	7	5 865	5 949
Intangible assets	8	192	330
Other financial assets	4	91	-
		6 148	6 279
Total Assets		16 424	15 854
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	4 293	5 725
Other financial liabilities	10	560	560
Finance lease obligation	11	28	-
Deferred operating lease liability	12	1 030	-
Provisions	13	296	259
		6 207	6 544
Non-Current Liabilities			
Other financial liabilities	10	1 679	2 238
Finance lease obligation	11	157	-
		1 836	2 238
Total Liabilities		8 043	8 782
Net Assets		8 381	7 072
Accumulated surplus		8 381	7 072

The accounting policies on pages 101 to 118 and the notes on pages 119 to 141 form an integral part of the annual financial statements.

Statement of Financial Performance

	Note(s)	2018 R'000	2017 R'000
Revenue			
Revenue from exchange transactions			
CETA funding		551	-
Debt impairment reversal		94	-
Other income		281	678
Interest income		821	267
Total revenue from exchange transactions		1 747	945
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies		48 568	43 413
Levies		2 120	2 080
Total revenue from non-exchange transactions		50 688	45 493
Total revenue	14	52 435	46 438
Expenditure			
Employee related costs	15	(25 816)	(23 043)
Depreciation and amortisation	16	(1 714)	(1 333)
Finance costs		(18)	-
Debt impairment	17	-	(111)
Administrative expenses	18	(11 878)	(10 849)
merSETA project expenses	19	-	(6)
Operational expenses	20	(11 700)	(12 911)
Total expenditure		(51 126)	(48 253)
Surplus/(deficit) for the year		1 309	(1 815)

The accounting policies on pages 101 to 118 and the notes on pages 119 to 141 form an integral part of the annual financial statements.

Statement of Changes in Net Assets

	Accumulated surplus R'000	Total net assets R'000
Balance at 01 April 2016	8 887	8 887
Changes in net assets		
Restated surplus for the year	(1 815)	(1 815)
Total changes	(1 815)	(1 815)
Balance at 01 April 2017	7 072	7 072
Changes in net assets		
Surplus for the year	1 309	1 309
Total changes	1 309	1 309
Balance at 31 March 2018	8 381	8 381

The accounting policies on pages 101 to 118 and the notes on pages 119 to 141 form an integral part of the annual financial statements.

Cash Flow Statement

	Note(s)	2018 R'000	2017 R'000
Cash flows from operating activities			
Receipts			
Grants		48 568	43 413
Interest received		821	257
Cash receipts from customers		1 978	1 905
Other cash items	21	109	687
		51 476	46 262
Payments			
Employee costs		(15 788)	(13 666)
Suppliers		(34 417)	(34 383)
Finance costs		(18)	-
		(50 223)	(48 049)
Net cash flows from operating activities	22	1 253	(1 787)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1 116)	(45)
Proceeds from sale of property, plant and equipment	7	-	16
Purchase of other intangible assets	8	(163)	(203)
Repayment of financial asset		11	9
Net cash flows from investing activities		(1 268)	(223)
Cash flows from financing activities			
Finance lease payments		(45)	-
Net increase/(decrease) in cash and cash equivalents		(60)	(2 010)
Cash and cash equivalents at the beginning of the year		9 201	11 211
Cash and cash equivalents at the end of the year	3	9 141	9 201

The accounting policies on pages 101 to 118 and the notes on pages 119 to 141 form an integral part of the annual financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
CETA funding*	-	-	-	551	551	31
Bad debt impairment reversal	-	-	-	94	94	31
Other income*	-	817	817	281	(536)	31
Interest income	851	(41)	810	821	11	31
Total revenue from exchange transactions	851	776	1 627	1 747	120	
Revenue from nonexchange transactions						
Transfer revenue						
Government grants and subsidies	48 568	-	48 568	48 568	-	31
Levies	2 010	1	2 011	2 120	109	31
Total revenue from nonexchange transactions	50 578	1	50 579	50 688	109	
Total revenue	51 429	777	52 206	52 435	229	
Expenditure						
Employee related cost	(26 878)	1 650	(25 228)	(25 816)	(588)	31
Depreciation and amortisation	-	-	-	(1 714)	(1 714)	31
Finance costs	-	-	-	(18)	(18)	31
Administrative expenses	(13 408)	(3 520)	(16 928)	(11 878)	5 050	31
Operational expenses	(11 143)	1 093	(10 050)	(11 700)	(1 650)	31
Total expenditure	(51 429)	(777)	(52 206)	(51 126)	1 080	
Actual Amount on Comparable Basis as presented in the Budget and Actual Comparative Statement	-	-	-	1 309	1 309	
Statement of Financial Position						
Assets						
Non-Current Assets						
Property, plant and equipment	-	-	-	1 340	1 340	31
Intangible assets	-	-	-	162	162	31
	-	-	-	1 502	1 502	
Total Assets	-	-	-	1 502	1 502	

* CETA funding was included as other income in the final budget.

The accounting policies on pages 101 to 118 and the notes on pages 119 to 141 form an integral part of the annual financial statements.

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in the South African Rand currency.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtor's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Intangible assets

If the computer hardware can operate without the software, then the software is recognised as an intangible asset and not property, plant and equipment.

Property, plant and equipment

Plant and equipment are considered for impairment if there is any reason to believe, after applying the internal and external impairment indicators, that impairments may be necessary. Residual values and estimated useful lives are assessed on an annual basis. The residual value of all other assets are estimated.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Accounting Policies

1.4 Property, plant and equipment (continued)

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold improvements	Straight line	4-5 years
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	8 years
IT equipment	Straight line	6 years
Leased office equipment	Straight line	2 years
Signage	Straight line	5 years
Minor signage	Straight line	Fully depreciated within year of purchase
Minor IT equipment	Straight line	Fully depreciated within year of purchase
Minor office equipment	Straight line	Fully depreciated within year of purchase
Minor furniture and fixtures	Straight line	Fully depreciated within year of purchase

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Accounting Policies

1.4 Property, plant and equipment (continued)

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. All items with a cost below R4 000 are considered minor assets and will be fully depreciated within the year that it is purchased. The depreciation charge for each period is recognised in surplus or deficit, unless it is included in the carrying amount of another asset.

Maths and Science laboratory equipment are considered to be consumables, due to the short term nature thereof and as such are not capitalised as property, plant and equipment.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Accounting Policies

1.5 Intangible assets (continued)

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	1-5 years

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

Accounting Policies

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Accounting Policies

1.6 Financial instruments (continued)

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Accounting Policies

1.6 Financial instruments (continued)

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity substantially transfers, to another party, all of the risks and rewards of ownership of the financial asset; or

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognises the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Accounting Policies

1.6 Financial instruments (continued)

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Accounting Policies

1.8 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Accounting Policies

1.8 Impairment of non-cash-generating assets (continued)

Recognition and measurement (continued)

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.9 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

Accounting Policies

1.9 Employee benefits (continued)

A constructive obligation is an obligation that derives from an entity's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The average of the last three months basic salary is used to calculate the expected cost.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Accounting Policies

1.9 Employee benefits (continued)

Post-employment benefits (continued)

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.10 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditure expected to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Accounting Policies

1.10 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditure for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at the reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Accounting Policies

1.11 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.12 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the amount of the revenue can be measured reliably.

Accounting Policies

1.12 Revenue from non-exchange transactions (continued)

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

1.13 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the finance lease obligation.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Accounting Policies

1.16 Irregular expenditure (continued)

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.17 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by an entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2017 to 31/03/2018.

The annual financial statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.18 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Accounting Policies

1.18 Related parties (continued)

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.19 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Notes to the Annual Financial Statements

	2018	2017
	R'000	R'000

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2018 or later periods:

GRAP 18 (as amended 2016): Segment Reporting

Amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the amendment is for years beginning on or after 01 April 2019.

The entity expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment.

The adoption of this amendment is not expected to impact on the results of the entity, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 17 (as amended 2016): Property, Plant and Equipment

Amendments to the Standard of GRAP on Property, Plant and Equipment resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of property, plant, and equipment is revalued; To clarify acceptable methods of depreciating assets; To align terminology in GRAP 17 with that in IPSAS 17. The term "specialist military equipment" in IPSAS 17 was replaced with the term "weapon systems" and provides a description of what it comprises in accordance with Government Finance Statistics terminology; and To define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

Notes to the Annual Financial Statements

2.1 Standards and interpretations issued, but not yet effective (continued)

GRAP 21 (as amended 2016): Impairment of non-cash-generating assets

Amendments to the Standard of GRAP on Impairment of Non-cash Generating Assets resulted from changes made to IPSAS 21 on Impairment of Non-Cash-Generating Assets (IPSAS 21) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 26 (as amended 2016): Impairment of cash-generating assets

Amendments Changes to the Standard of GRAP on Impairment of Cash Generating Assets resulted from changes made to IPSAS 26 on Impairment of Cash-Generating Assets (IPSAS 26) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 31 (as amended 2016): Intangible Assets

Amendments to the Standard of GRAP on Intangible Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 31 on Intangible Assets (IPSAS 31) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015.

The most significant changes to the Standard are:

- General improvements: To add the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of intangible assets is revalued; and To clarify acceptable methods of depreciating assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

Notes to the Annual Financial Statements

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2018 or later periods but are not relevant to its operations:

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items above are required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in the bullets above, and
 - a person identified above has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Notes to the Annual Financial Statements

2.2 Standards and interpretations not yet effective or relevant (continued)

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the Standard is not yet set by the Minister of Finance.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	15	15
Bank balances	5 484	616
Short-term deposits	1 678	6 702
Other cash and cash equivalents	1 964	1 868
	9 141	9 201

Bank guarantee has been issued to the value of R1.863 million in favour of Emira Property Fund. The guarantee will expire on 30 June 2022.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available), or historical information about counterparty default rates:

Credit rating

F1+ (ZAF) Fitch Rating	9 141	9 201
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4. Other financial assets

At amortised cost

DK Pitse	93	94
The receivable is payable in monthly instalments of R1 000. Interest is payable at the prime lending rate.		
	93	94
Provision for credit losses	-	(94)
	93	-

Non-current assets

At amortised cost	91	-
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Current assets

At amortised cost	2	-
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Financial assets at amortised cost

Financial assets at amortised cost impaired

As of 31 March 2018, other financial assets of R - (2017: R94 235) were impaired and provided for.

The amount of the provision was R - as of 31 March 2018 (2017: R94 235).

The ageing of these loans is as follows.

3 to 6 months	-	94
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Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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4. Other financial assets (continued)

Allowance account for credit losses

Reconciliation of changes in allowance account of financial assets - 2018

	Opening balance	Reversals	Closing balance
Other financial assets	(94)	94	-

Reconciliation of changes in allowance account of financial assets - 2017

	Opening balance	Provision for impairment	Closing balance
Other financial assets	-	(94)	(94)

Receivables from exchange and non-exchange transactions

Included in Other financial assets are the following:

Receivables from exchange transactions	93	-
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5. Receivables from exchange transactions

Trade debtors	154	11
Deferred warranty expenses	-	56
Prepaid expenses	490	-
	644	67

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2018, R29 188 (2017: R -) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due	29	-
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Trade and other receivables impaired

As of 31 March 2018, trade and other receivables of R - (2017: R13 463) were impaired and provided for.

The amount of the provision was R13 463 as of 31 March 2018 (2017: R13 463).

The ageing of these loans is as follows:

Over 6 months	13	13
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Reconciliation of provision for impairment of trade and other receivables

Opening balance	(13)	-
Provision for impairment	-	(13)
	(13)	(13)

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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6. Receivables from non-exchange transactions

Levies	487	306
Other receivables from non-exchange revenue	2	1
	489	307

Receivables from non-exchange transactions pledged as security

None of the trade and other receivables from non-exchange transactions have been pledged as security for any liability or contingent liability.

Fair value of receivables from non-exchange transactions

Trade and other receivables from non-exchange transactions approximate their fair values.

Receivables from non-exchange transactions impaired

As of 31 March 2018, other receivables from non-exchange transactions of R3 871 (2017: R3 871) were impaired and provided for.

The amount of the provision was R3 871 as of 31 March 2018 (2017: R3 871).

The ageing of these loans is as follows:

Over 6 months	4	4
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Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	(4)	-
Provision for impairment	-	(4)
	(4)	(4)

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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7. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold improvements	3 131	(620)	2 511	3 064	(2)	3 062
Furniture and fixtures	1 473	(613)	860	1 521	(523)	998
Office equipment	1 014	(613)	401	891	(541)	350
IT equipment	3 418	(1 537)	1 881	2 563	(1 052)	1 511
Minor furniture and fixtures	705	(704)	1	964	(963)	1
Minor IT equipment	59	(59)	-	37	(37)	-
Leased office equipment	212	(35)	177	-	-	-
Signage	42	(8)	34	28	(1)	27
Minor signage	45	(45)	-	13	(13)	-
Minor office equipment	199	(199)	-	196	(196)	-
Total	10 298	(4 433)	5 865	9 277	(3 328)	5 949

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	3 062	68	-	(619)	2 511
Furniture and fixtures	998	-	(6)	(132)	860
Office equipment	350	131	(4)	(76)	401
IT equipment	1 511	856	-	(486)	1 881
Minor furniture and fixtures	1	2	-	(2)	1
Minor IT equipment	-	22	-	(22)	-
Leased office equipment	-	212	-	(35)	177
Signage	27	14	-	(7)	34
Minor signage	-	32	-	(32)	-
Minor office equipment	-	3	-	(3)	-
	5 949	1 340	(10)	(1 414)	5 865

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold property	-	3 064	-	(2)	3 062
Furniture and fixtures	608	543	(46)	(107)	998
Office equipment	312	126	(7)	(81)	350
IT equipment	1 256	598	(14)	(329)	1 511
Minor furniture and fittings	-	414	-	(413)	1
Minor computer equipment	-	3	-	(3)	-
Signage	7	21	-	(1)	27
Minor signage	13	-	-	(13)	-
Minor office equipment	-	147	-	(147)	-
	2 196	4 916	(67)	(1 096)	5 949

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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7. Property, plant and equipment (continued)

Pledged as security

None of the CBE's property, plant and equipment has been pledged as security for any liability or contingent liability.

The residual values of property, plant and equipment have been assessed to be negligible, as a result they have not been considered in the calculation of the depreciable amount.

Assets subject to finance lease (Net carrying amount)

Leased office equipment	177	-
-------------------------	-----	---

8. Intangible assets

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 443	(1 251)	192	1 433	(1 103)	330

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	330	162	(300)	192

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Computer software	349	218	(237)	330

Pledged as security

None of the CBE's intangible assets have been pledged as security for any liability or contingent liability.

The residual values of intangible assets have been assessed to be negligible, as a result they have not been considered in the calculation of the depreciable amount.

9. Payables from exchange transactions

Trade payables	772	98
Leave expense	790	659
Accrued bonus	212	195
Accrued expenses	2 519	4 773
	4 293	5 725

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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9. Payables from exchange transactions (continued)**Fair value of trade and other payables**

Trade and other payables from exchange transactions approximates their fair values.

10. Other financial liabilities**Designated at fair value**

Deferred tenant installation

CBE obtained a leased premises which was occupied from 31 March 2017.

The landlord provided CBE with a tenant installation for a period of five years and the cost will be amortised over the lease term.

2 239	2 798
-------	-------

Non-current liabilities

Designated at fair value

1 679	2 238
-------	-------

Current liabilities

Designated at fair value

560	560
-----	-----

11. Finance lease obligation**Minimum lease payments due**

- within one year

138	-
-----	---

- in second to fifth year inclusive

92	-
----	---

less: future finance charges

230	-
-----	---

(45)	-
------	---

Present value of minimum lease payments

185	-
------------	----------

Present value of minimum lease payments due

- within one year

100	-
-----	---

- in second to fifth year inclusive

85	-
----	---

185	-
------------	----------

Non-current liabilities

157	-
-----	---

Current liabilities

28	-
----	---

185	-
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It is entity policy to lease certain office equipment under finance leases.

The average lease term was 2 years and the average effective borrowing rate was 29% (2017: -%). Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to note 7.

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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12. Operating lease liability

Current liabilities	1,030	-
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Operating lease payments represent rentals payable by the CBE for its office accommodation. The lease is for a five year term, with an 8.5% escalation per annum. No contingent rent is payable.

The operating lease expenses are smoothed on a straight line basis over the lease term. Any over- or under payment, as a result of the smoothing is recognised in the statement of financial position as a liability, until the time that payments in the future reverses the smoothing to zero by the end of the lease period.

13. Provisions

Reconciliation of provisions - 2018

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for bonus payment	259	296	(120)	(139)	296

Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for bonus payment	196	259	(170)	(26)	259

During the current year, the CBE raised a provision for bonus payment in relation to performance bonus for the performance period April 2017 to March 2018. The provision for bonus payment is prepared on the basis of prior year's actual performance. During the 2016/17 financial year only 1% of the basic salary was paid due to the poor performance in achieving set targets. For the past three years the CBE had incurred 2% of its basic salary and therefore the bonus provision has been estimated at 2% due to the significant increase in the entity's performance. Management is of the view that the amount will be adequate to cover the performance bonus of the organisation for the 2017/18 financial year. The current performance management policy limits the total amount of bonus to be paid to 2% of the basic salary.

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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14. Revenue

CETA funding	551	-
Debt impairment reversal	94	-
Other income	281	678
Interest income	821	267
Government grants and subsidies	48 568	43 413
Levies	2 120	2 080
	52 435	46 438

The amount included in revenue arising from exchanges of goods or services are as follows:

CETA funding	551	-
Debt impairment reversal	94	-
Other income	281	678
Interest income	821	267
	1 747	945

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Transfer revenue		
Government grants and subsidies	48 568	43 413
Levies	2 120	2 080
	50 688	45 493

15. Employee related costs

Basic	15 145	14 134
Bonus	48	63
Defined contribution plans	3 115	2 637
Leave pay provision charge	131	(191)
Medical aid - company contributions	926	810
PAYE	5 821	5 335
Staff training	377	32
Staff welfare	131	109
UIF	122	114
	25 816	23 043

Remuneration of Chief Financial Officer (C Changfoot)

Annual Remuneration	1 083	1 010
Contributions to UIF, Medical and Pension Funds	168	51
Subsistence and travel	40	45
Telephone allowance	6	-
	1 297	1 106

Included in personnel cost above is the CFO's remuneration, as itemised under Remuneration of the Chief Financial Officer for the period 1 April 2017 to 15 March 2018. C Changfoot was appointed on 16 March 2015 for a three year contract period, which ended on 15 March 2018.

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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15. Employee related costs (continued)

Remuneration of Chief Operations Officer (P Mdlalose)

Annual Remuneration	523	994
Contributions to UIF, Medical and Pension Funds	102	104
Acting allowance	61	123
Subsistence and travel	12	12
Telephone allowance	2	-
	700	1 233

Included in personnel cost above is the COO's remuneration, as itemised under Remuneration of the Chief Operations Officer for the period 1 April 2017 to 30 September 2017. P Mdlalose was appointed on 16 February 2015, and was appointed as the Acting Chief Executive Officer from 1 November 2015 to 30 September 2017, when she was appointed as the CEO.

Remuneration of the Acting Chief Operations Officer (P Fourie)

Annual Remuneration	922	441
Contributions to UIF, Medical and Pension Funds	101	41
Acting allowance	65	26
Subsistence and travel	9	2
	1 097	510

Included in personnel cost above is the Acting COO's remuneration, as itemised under Remuneration of the Acting Chief Operations Officer for the period 1 April 2017 to 28 February 2018. P Fourie was appointed as the Acting Chief Operations Officer from 1 November 2016 to 28 February 2018.

Remuneration of Chief Operations Officer (M Mongane)

Annual Remuneration	95	-
Contributions to UIF, Medical and Pension Funds	10	-
Telephone allowance	1	-
	106	-

Included in personnel cost above is the COO's remuneration, as itemised under Remuneration of the Chief Operations Officer for the period 1 March 2018 to 31 March 2018. M Mongane was appointed on 1 March 2018 for a three year contract period which will expire on 28 February 2021.

Remuneration of Chief Executive Officer (P Mdlalose)

Annual Remuneration	600	-
Contributions to UIF, Medical and Pension Funds	130	-
Subsistence and travel	11	-
Telephone allowance	5	-
	746	-

Included in personnel cost above is the CEO's remuneration, as itemised under Remuneration of the Chief Executive Officer for the period 1 October 2017 to 31 March 2018. P Mdlalose was appointed on 1 October 2017 for a five year contract which will terminate on 30 September 2022.

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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15. Employee related costs (continued)

Remuneration of former Chief Executive Officer (G Mazibuko)

Annual Remuneration	-	657
Contributions to UIF, Medical and Pension Funds	-	1
Subsistence and travel	-	15
	-	673

Included in personnel cost above is the former CEO's remuneration, as itemised under Remuneration of the Chief Executive Officer for the period 1 April 2016 to 31 March 2017. G Mazibuko was appointed on 1 May 2012 and was dismissed on 29 August 2016.

16. Depreciation and amortisation

Depreciation of property, plant and equipment	1 414	1 096
Amortisation of intangible assets	300	237
	1 714	1 333

17. Debt impairment

Debt impairment	-	111
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18. Administrative expenses

Auditors remuneration	1 328	1 631
Internal audit fees	483	671
Advertising	397	216
Telephone and fax	205	364
Computer expenses	831	472
Council expenses *	1 317	887
Training	65	83
Catering	109	77
Building costs and consumables	66	170
Printing and stationery	43	26
Insurance	256	204
Bank charges	48	57
Premises - Contractual amounts	5 400	5 144
Support to the Councils for the Built Environment Professions	186	100
Utilities	769	505
Relocation expenses	38	100
Consulting and professional fees	337	142
	11 878	10 849

* Included in administrative fees above is the Council, Council sub-committees and Audit committee members remuneration.

Notes to the Annual Financial Statements

				2018 R'000	2017 R'000
Fourth Term Council	Number of	Claim for	Subsistence	Total claim	Total claim
Members/ Audit Committee	Meetings	attendance	and travel	(R'000)	(R'000)
Members	attended	(R'000)	(R'000)	2017/18	2016/17
IM Nkosi (Chairperson)	41	147	19	166	133
NF Sithole (Deputy Chairperson)	36	131	9	140	7
CA Breed	5	18	-	18	20
ND Lombard	16	51	3	54	35
EG Makongwana	16	56	34	90	10
JL Margolius	14	32	-	32	30
Dr ZT Mathe	24	90	6	96	70
D Michell	12	47	5	52	29
Prof KA Michell	19	67	4	71	59
C Mtshisa	7	-	-	-	-
ZC Mvalo	9	-	-	-	-
A Lee (Sassenberg)	24	125	53	178	79
RG Sefotlho	27	91	15	106	64
S Thubane	16	45	2	47	46
MM Tshangela	3	-	-	-	-
D Coovadia (Audit Committee Member)	6	84	7	91	121
M Mothipe (Audit Committee Member) **	3	33	1	34	91
F Docrat (Audit Committee Member)	11	123	7	130	94
P Stock (Audit Committee Member)***	1	12	-	12	-
	290	1 152	165	1 317	888

** During the current financial year the following members resigned from the CBE Council and its committees:

- M Mothipe, former audit committee member, resigned 7 August 2017.

*** The following replacement of the resigned Council and its sub-committee members was made:

- P Stock, Audit committee member, was appointed on 24 November 2017.

19. merSETA project expenses

Bank charges	-	2
Catering	-	4
	-	6

20. Operational expenses

Travel - local	2 196	1 581
Travel - overseas	34	5
Consulting and professional fees	4 055	5 059
Loss on sale of property, plant and equipment	10	5
Bursary scheme	4 318	4 352
Catering for projects	17	10
Awareness and publications	277	316
Events and workshops	644	74
Legal expenses	149	1 509
	11 700	12 911

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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21. Other cash receipts

Re-imbursement of staff cost	93	640
Insurance claims	14	5
Sundry receipts	2	42
	109	687

22. Cash generated from (used in) operations

Surplus (deficit)	1 309	(1 814)
Adjustments for:		
Depreciation and amortisation	1 714	1 333
Loss on sale of assets and liabilities	7	5
Interest income	(10)	(10)
Finance costs	18	-
Debt impairment	-	111
Movements in operating lease assets and accruals	1 030	(98)
Movements in provisions	37	63
Impairment reversal	(94)	-
Changes in working capital:		
Receivables from exchange transactions	(585)	(21)
Other receivables from non-exchange transactions	(182)	(110)
Payables from exchange transactions	(1 431)	(1 219)
Payables from non-exchange transactions	-	(27)
Other financial liabilities	(560)	-
	1 253	(1 787)

23. Commitments

Authorised operational expenditure
Approved and contracted

• Maths and Science support programme	664	747
• Website revamp	385	140
• Research project	-	205
• Internal audit fees	1 338	1 810
• Annual Report printing	189	-
• Printer rental	220	-
• Disaster recovery	503	-
• IT Support services	105	-
• IT Security	293	-
• Web hosting	151	-
• Organisational review	75	-
	3 923	2 902

Total operational commitments

Approved and contracted	3 923	2 902
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At the end of the financial year, the CBE had commitments under non-cancellable agreements with suppliers. This committed expenditure relates to various projects which have been entered into, though work has not been fully completed. There were no similar commitments at the end of the current financial year.

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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23. Commitments (continued)

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	5 887	5 378
- in second to fifth year inclusive	20 836	26 490
	26 723	31 868

Operating lease payments represent rentals payable by the entity for its office accommodation. The CBE's previous lease agreement expired during the 2016/17 financial year. The CBE entered into a new lease agreement for a term of five years at an escalation of 8.5%. No contingent rent is payable.

24. Contingent liability

In terms of section 53(3) of the PFMA, the CBE has to obtain approval from National Treasury to retain accumulated surplus funds at year-end. The budget for the 2017/18 financial year was under-utilised by R0.146 million. Of the R8.381 million in accumulated funds to date, R6.057 million represents the book value of the assets capitalised, which will be realised over time through the use of the assets.

National Treasury	146	-
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The CBE entered into a lease agreement. As part of the terms and conditions of the lease, a bank guarantee, to the value of R1.863 million, was issued in favour of the landlord. The funds are held in an investment account.

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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25. Related parties

Relationships

Council members

Executive Authority

Councils for the Built Environment Professionals (CBEP)

Refer to Accounting Authority's report

National Department of Public Works (DPW)

South African Council for the Architectural Profession (SACAP)

Engineering Council of South Africa (ECSA)

South African Council for the Quantity Surveying Profession (SACQSP)

South African Council for the Project and Construction Management Professions (SACPCMP)

South African Council for the Property Valuers Profession (SACPVP)

South African Council for the Landscape Architectural Profession (SACLAP)

The transactions with the Executive Authority are in respect of the Grant and the reimbursement for staff secondment to DPW. The balances with DPW are in relation to the reimbursement for staff seconded.

The above related parties did not have any transactions which were not at arms length with the CBE during the financial year other than those disclosed for accommodation, IT services provided and Council support payments.

Receipts from the CBEP are in respect of levies in terms of section 17(1)(a) of the CBE Act 43 of 2000.

Payments made by the CBE were for administrative support provided to the one CBEP.

Balances due, or payable, are in relation to levy transactions and administrative support provided.

During the financial year, there were no related party transactions with key management or any of the immediate families or any organisation in which they have significant influence.

Related party balances

Amounts included in Trade receivable regarding related parties

SACAP	58	118
ECSA	271	38
SACQSP	1	9
SACPCMP	51	27
SACPVP	77	67
DPW	29	48

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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25. Related parties (continued)

Related party transactions

Grant received

DPW	48 568	43 413
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Levies received

SACAP	401	378
ECSA	1 250	1 288
SACQSP	130	120
SACPCMP	261	219
SACPVP	68	67
SACLAP	10	9

Council support payments

SACPCMP	186	100
---------	-----	-----

Other operating income

DPW	75	601
-----	----	-----

CBE shares its office accommodation with SACLAP. SACLAP does not pay for this service. The estimated saving on SACLAP's administrative budget amounted to R59 761.

The CBE also entered into memoranda of understanding with both SACLAP and SACPVP for shared ICT services. The estimated saving for SACLAP and SACPVP respectively is R39 370 and R15 396.

Key management information

Class	Description	Number
Non-executive board members (Refer to Accounting Authority's report and note 18)	Council Members	15
Audit committee (Refer to note 18)	External audit committee members	3
Executive management (Refer to note 15)	Senior Management	3

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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26. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

Liquidity risk

The entity manages liquidity risk through proper management of working capital, capital expenditure and cash flow; and by variance reports between actual and budgeted amounts.

The following are the cash outflows of trade payables due within one year. The entity does not consider having any significant exposure to liquidity risk, as its current assets exceed its current liabilities.

At 31 March 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables from exchange transactions	4 293	-	-	-
Other financial liabilities	560	1 119	560	-
Finance lease obligation	28	157	-	-

At 31 March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables from exchange transactions	5 724	-	-	-
Other financial liabilities	560	1 119	1 119	-

Credit risk

The financial assets that potentially subject the entity to the risk of non-performance by counter-parties, and thereby subject the entity to concentrations of credit risk consist mainly of cash and cash equivalents, other financial assets and trade receivables. The credit risk is controlled through the application of approved regulations, limits and monitoring procedures.

The entity limits its counter-party-exposure by only dealing with well-established financial institutions with high credit ratings assigned by international credit-rating agencies. Credit risk with respect to receivables is limited, due to the nature of the entity's revenue transactions. The entity does not have any significant exposure to any individual customer or counter-party. Accordingly, the entity does not consider having any significant concentration of credit risk, which had not been adequately provided for.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Receivables - unrated	1 133	374
Cash and cash equivalents at fair value	9 141	9 201
Other financial assets	93	-

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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27. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Executive Authority continues to provide the grant funding, as indicated in the MTEF over the MTEF period, to fund the ongoing operations of the CBE.

28. Events after the reporting date

No significant event took place after the reporting date that would have a significant effect on the financial statements.

29. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	45	45
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During the 2015/16 financial year, software to the value of R45 000 for the development of a database system that already existed, was procured. The CBE Council and Management are undertaking disciplinary procedures in this regard.

30. Irregular expenditure

Opening balance	8 611	6 783
Add: Irregular Expenditure - current year	114	1 828
Add: Irregular Expenditure identified in current year relating to prior year	42	-
	8 767	8 611

Details of irregular expenditure – current year

Non-compliance with contract management	Contract extension beyond 15% without obtaining National Treasury approval	140
	Contract price in excess of quoted price	16
		156

During the 2014/15 financial year, irregular expenditure incurred to the value of R468 585 was raised due to the issue of non-compliance with the competitive bidding threshold in the supply chain management section. The CBE Council and Management has laid criminal charges against the former responsible supply chain management official.

Irregular expenditure, incurred to the value of R8.298 million, was due to non-compliance with the prescripts of Supply Chain Management Regulations. Irregular expenditure to the value of R155 762 is currently being investigated. Investigations conducted on previously identified irregular expenditure indicated that no officer is liable in law, as the entity did not suffer a financial loss. CBE attended a meeting with National Treasury to discuss the condonation process, and is in the process of requesting condonation.

Notes to the Annual Financial Statements

	2018 R'000	2017 R'000
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31. Budget differences

For the current financial year, the CBE prepared its budget on a cash basis and its financial reports on accrual basis.

Below are the reasons for the variance on the CBE's actual performance as compared to the budget for the year ended 31 March 2018.

31.1 CETA Funding

The final budget for CETA Funding of R551 000 was included in other income. The CBE entered into a partnership during the year for bursaries paid to students.

31.2 Bad debt impairment reversal

During the prior year, there was evidence that the debt owed by D.K. Pitse was impaired, however during the current year payments were made to the CBE and the debt impairment was reversed. No budget was allocated for this item as the CBE uses cash-based budgeting.

31.3 Other income

Other income comprises of various ad hoc income items. The final CETA funding budget of R551 000 was included in the other income final budget. The revenue generated related to income from the secondment of staff to DPW and other recoveries.

31.4 Interest income

Interest is earned on surplus cash invested. Draw downs are done on a monthly basis based on the cashflow forecasts. Interest was also recognised for the discounting on the debt owed by D.K. Pitse.

31.5 Revenue from non-exchange transactions

The total grant income was received and budgeted. The variance is due to more levies received than what was budgeted.

31.6 Employee related costs

The variance in personnel costs is mainly due to vacancies in management positions and the provision for bonus and leave, which was included in the budget but not paid out at year end.

31.7 Depreciation and amortisation

The CBE used cash based budgeting which excludes budgeting for depreciation and amortisation.

31.8 Finance costs

Finance costs relate to the finance lease recognised in terms of the accrual basis of accounting. The payments made for the finance lease is included in the budget for administrative expenditure.

Notes to the Annual Financial Statements

	2018	2017
	R'000	R'000

31. Budget differences

31.9 Administrative expenses

The variance relates to various cost saving strategies which have been implemented.

31.10 Operational expenditure

The variance is mainly attributable to utilising consulting firms due to the vacancies in the CBE.

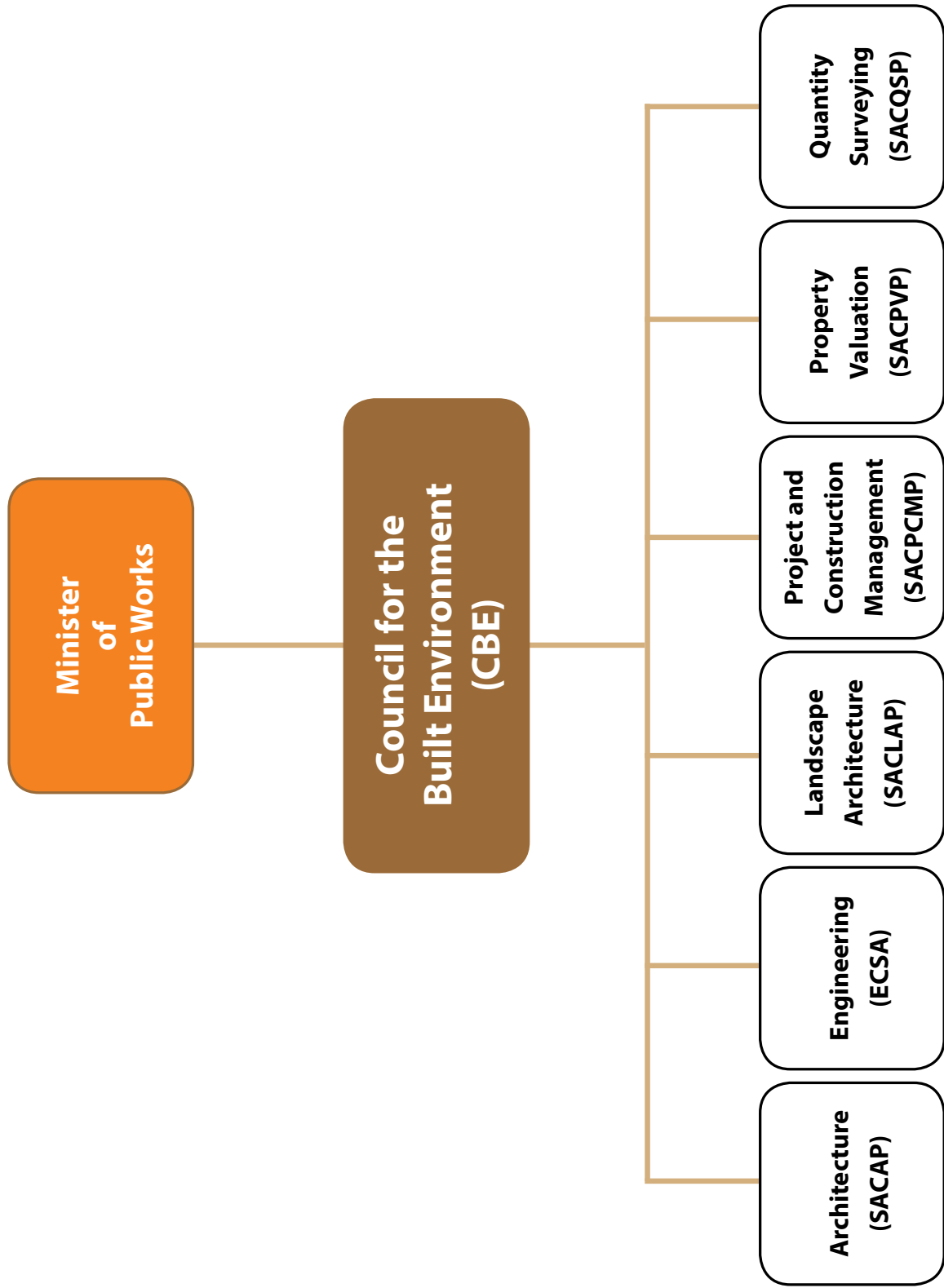
31.11 Property plant and equipment and intangible asset additions

The fixed asset variance is due to the purchase of IT infrastructure, funded by surplus funds.

31.12 Budget revision

The annual budget is compiled at the beginning of the financial year and submitted to Council for approval. During August 2017, budget was re-allocated from savings on the Administration Programme for the purchase of ICT equipment. A mid-term budget review is performed after the first two quarters of the financial year, based on projections for the remainder of the year, and resources are re-allocated based on the revised budget.

COUNCILS FOR THE BUILT ENVIRONMENT PROFESSIONS





PART F: COUNCILS FOR THE BUILT ENVIRONMENT PROFESSIONS

1. INTRODUCTION

This section outlines a summary of the activities undertaken by the CBEP for the 2017/18 financial year, submitted to the CBE by the end of March 2018. It analyses their performance against their legislated functions, as collated through the reporting templates developed by the CBE, and submitted by the CBEP on a quarterly basis.

2. LEGISLATIVE AND REGULATORY FRAMEWORK OF THE BUILT ENVIRONMENT PROFESSIONS

The respective built environment professions Acts empower the councils for the professions to perform the following functions as part of their regulatory function of the BEPs:

- a) Establishment of a Standards Generating Body (SGB) and development of competency standards;
- b) Register persons in professional categories who have demonstrated competency against the standards determined by the council for the profession for the relevant categories and have passed any additional examination that may be determined by the council for the profession;
- c) Register persons who meet educational requirements in candidate categories;
- d) Prescribe specified categories of registration and register persons in these categories;
- e) Require registered persons to renew registration at intervals and under conditions that the CBEP prescribe;
- f) Recommend to the CBE the type of work which may be performed by persons registered in any of the categories of registration of that profession;
- g) Conduct accreditation visits to any educational institution which has a department, school or faculty of the relevant built environment profession and conditionally or unconditionally grant, refuse or withdraw accreditation to educational institutions and educational programmes;
- h) Evaluate educational qualifications that are not accredited or recognised;
- i) Enter into agreements with any person or body of persons, within or outside the Republic, with regard to any examination or qualification for the purposes of the relevant built environment professions Act;
- j) Develop and administer a code of conduct;
- k) Investigate complaints and probable instances of improper conduct against registered persons, charge registered persons with improper conduct and sanction registered persons found guilty accordingly;
- l) Annually determine guideline professional fees and publish those fees in the Government Gazette;
- m) Recognise VAs;
- n) Advise the Minister, any other Minister or the CBE on any matter relating to its profession;
- o) Take the necessary steps to protect public interest, health and safety, improve standards of professional services, and create awareness of the need to protect the environment;
- p) Encourage and undertake research into matters related to its profession.

The objective of these regulatory arrangements is to protect the public by ensuring a high standard of service and professional behaviour by providing:

- Entry to the professions by trained persons
- A mechanism for establishing and enforcing standards of training and practice
- An avenue for consumers to have complaints against practitioners addressed

3. HUMAN RESOURCE DEVELOPMENT

3.1 Registration

In terms of the professions Acts, the Councils may consider and decide on any application for registration either as a professional or candidate, wherein the person applying has demonstrated competency as measured against standards determined by the Council and has passed any additional examinations as determined by the Council. The tables below indicate the number of registered professionals per registration category.

PROFESSIONAL REGISTRATION

Table 44: ECSA's total registered professionals by registration category

Professional Engineer	Gender	African	White	Indian/Asian	Coloured	Total
	Male	1768	13155	980	174	16077
	Female	223	521	162	17	923
Total		1991	13676	1142	191	17000
Professional Engineering Technologist	Male	1498	3215	467	221	5401
	Female	276	74	42	13	405
Total		1774	3289	509	234	5806
Engineering Technician (Master)	Gender	African	White	Indian/Asian	Coloured	Total
	Male	0	375	0	0	375
	Female	0	0	0	0	0
Total		0	375	0	0	375
Registered Engineering Technician	Gender	African	White	Indian/Asian	Coloured	Total
	Male	37	558	29	15	639
	Female	0	7	0	0	7
Total		37	565	29	15	646
Professional Certificated Engineer	Gender	African	White	Indian/Asian	Coloured	Total
	Male	74	883	39	13	1009
	Female	3	3	1	0	7
Total		77	886	40	13	1016
Registered Lift Inspector	Gender	African	White	Indian/Asian	Coloured	Total
	Male	8	123	18	11	160
	Female	2	0	0	0	2
Total		10	123	18	11	162
Registered Lifting Machinery Inspector	Gender	African	White	Indian/Asian	Coloured	Total
	Male	113	812	56	30	1011
	Female	1	2	1	0	4
Total		114	814	57	30	1015
Medical Equipment Maintainer	Gender	African	White	Indian/Asian	Coloured	Total
	Male	0	4	0	0	4
	Female	1	0	0	0	1
Total		1	4	0	0	5
Fire Protection System Practitioner	Gender	African	White	Indian/Asian	Coloured	Total
	Male	0	4	0	0	4
	Female	0	1	0	0	1
Total		0	5	0	0	5

Professional Engineering Technician	Gender	African	White	Indian/Asian	Coloured	Total
	Male	1989	1015	216	175	3395
	Female	697	36	23	21	777
Total		2686	1051	239	196	4172
EMF ³	Gender	African	White	Indian/Asian	Coloured	Total
	Male	3	20	0	0	23
	Female	0	1	0	0	1
Total		3	21	0	0	24
ETMF ⁴ Technologist International Register	Gender	African	White	Indian/Asian	Coloured	Total
	Male	1	6	2	0	9
	Female	0	0	0	0	0
Total		1	6	2	0	9

Table 45: SACPCMP's total registered professionals by registration category

Professional Construction Manager	Gender	African	White	Indian/Asian	Coloured	Total
	Male	102	702	33	26	863
	Female	6	3	0	0	9
Total		108	705	33	26	872
Professional Construction Project Manager	Gender	African	White	Indian/Asian	Coloured	Total
	Male	408	1026	106	60	1600
	Female	55	26	6	6	93
Total		463	1052	112	66	1693
Professional Construction Mentor	Gender	African	White	Indian/Asian	Coloured	Total
	Male	8	12	3	3	26
	Female	0	0	0	0	0
Total		8	12	3	3	26
Professional Construction Health and Safety Agent	Gender	African	White	Indian/Asian	Coloured	Total
	Male	8	46	3	10	67
	Female	5	5	0	0	10
Total		13	51	3	10	77

Table 46: SACAP's total registered professionals by registration category

Professional Architect	Gender	African	White	Coloured	Indian/Asian	Total
	Male	273	2397	76	135	2881
	Female	80	967	31	70	1148
Total		353	3364	107	205	4029
Professional Senior Architectural Technologist	Gender	African	White	Coloured	Indian/Asian	Total
	Male	193	1010	110	167	1480
	Female	32	294	8	24	358
Total		225	1304	118	191	1838
Professional Architectural Technologist	Gender	African	White	Coloured	Indian/Asian	Total
	Male	153	455	87	107	802
	Female	34	180	14	22	250
Total		187	635	101	129	1052
Professional Architectural Draughtsperson	Gender	African	White	Coloured	Indian/Asian	Total
	Male	371	551	191	84	1197
	Female	13	268	16	13	310
Total		384	819	207	97	1507

Source: SACAP fourth quarter report, 2017/18

³ Electro Magnetic Field

⁴ Engineering Technologist Mobility Forum

Table 47: SACLAP's total registered professionals by registration category

	Gender	African	White	Indian/Asian	Coloured	Total
Professional Landscape Architect	Male	1	95	0	0	96
	Female	0	80	0	1	81
	Total	1	175	0	1	177
	Gender	African	White	Indian/Asian	Coloured	Total
Professional Landscape Manager	Male	3	14	0	3	20
	Female	0	4	0	0	4
	Total	3	18	0	3	24
	Gender	African	White	Indian/Asian	Coloured	Total
Professional Landscape Architectural Technologists	Male	3	5	0	0	8
	Female	0	7	1	0	8
	Total	3	12	1	0	16
	Gender	African	White	Indian/Asian	Coloured	Total
Professional Landscape Architectural Technicians	Male	1	0	0	1	0
	Female	0	0	0	0	0
	Total	1	0	0	1	0
	Gender	African	White	Indian/Asian	Coloured	Total
Professional Landscape Technologists	Male	0	0	0	0	0
	Female	0	3	0	0	3
	Total	0	3	0	0	3
	Gender	African	White	Indian/Asian	Coloured	Total
Professional Landscape Architectural Assistants	Male	0	1	0	0	1
	Female	0	0	0	0	0
	Total	0	1	0	0	1
	Gender	African	White	Indian/Asian	Coloured	Total
Professional Senior Landscape Architectural Technologists	Male	1	0	0	0	1
	Female	0	0	0	0	0
	Total	1	0	0	0	1

Table 48: SACQSP's total registered professionals by category

	Gender	African	White	Indian/Asian	Coloured	Total
Professional Quantity Surveyor	Male	311	1248	166	39	1764
	Female	138	243	40	7	428
	Total	449	1491	206	46	2192

Table 49: SACPVP's total registered professionals by category

	Gender	African	White	Indian/Asian	Coloured	Total
Professional Valuer	Male	57	482	26	13	578
	Female	20	97	9	7	133
	Total	77	579	35	20	711
	Gender	African	White	Indian/Asian	Coloured	Total
Professional Associated Valuer	Male	80	328	22	29	443
	Female	60	64	9	5	140
	Total	140	392	31	34	597
	Gender	African	White	Indian/Asian	Coloured	Total
Single Residential Property Assessor	Male	2	6	0	1	9
	Female	0	2	0	0	2
	Total	2	8	0	1	11

Source: SACPVP fourth quarter report, 2017/18

Percentage number of registered professionals by gender

There are still equity discrepancies within the built environment due the poor representation and appointment of women. The built environment professions are male dominated. The table below indicates that BEPs are still male dominated, with 89% of registered professionals being male while women only make up 11%.

Table 50: Gender representation of professionals in the CBEP

Gender	Total
Male (Professionals)	39 960
Percentage	89%
Female (Professionals)	5 103
Percentage	11%

Table 51: Total number of registered professionals by the six CBEP

The table below reveals that at professional level the professions are still white dominated. Whites represent 70% of the total number of registered professionals, with 20% being African, 7% Indian and 3% coloured people. It should be noted that structural changes are happening at candidature levels to sustainably reflect the demographics of the country as reflected below.

CBEP	African	White	Indian/Asian	Coloured	Total
ECSPA	6694	20815	2036	690	30235
SACAP	1149	6122	622	533	8426
SACLAP	8	210	1	4	223
SACPCMP	592	1820	151	105	2668
SACPVP	219	979	66	55	1319
SACQSP	449	1491	206	46	2192
Total	9111	31437	3082	1433	45063
Percentage	20%	70%	7%	3%	100%

REGISTERED CANDIDATES

Number of registered candidates per registration category

The tables below indicate the number of registered candidates per categories of registration in the six CBEP.

Table 52: ECSA's total registered candidates

Candidate Engineer	Gender	African	White	Indian/Asian	Coloured	Total
	Male	2969	3633	987	159	7748
	Female	861	729	368	62	2020
Total		3830	4362	1355	221	9768
Candidate Engineering Technologist	Gender	African	White	Indian/Asian	Coloured	Total
	Male	2715	700	360	124	3899
	Female	865	61	81	36	1043
Total		3580	761	441	160	4942
Candidate Engineering Technician	Gender	African	White	Indian/Asian	Coloured	Total
	Male	4349	678	318	131	5476
	Female	1735	77	69	40	1921
Total		6084	755	387	171	7397
Candidate Certificated Engineer	Gender	African	White	Indian/Asian	Coloured	Total
	Male	152	107	25	10	294
	Female	10	1	0	0	11
Total		162	108	25	10	305

Source: ECSA fourth quarter report, 2017/18

Table 53: SACAP's total registered candidates

Candidate Architect	Gender	African	White	Coloured	Indian/Asian	Total
	Male	85	253	15	25	378
	Female	35	205	6	21	267
Total		120	458	21	46	645
Candidate Senior Architectural Technologist	Gender	African	White	Coloured	Indian/Asian	Total
	Male	88	134	24	32	278
	Female	29	63	6	10	108
Total		117	197	30	42	386
Candidate Architectural Technologist	Gender	African	White	Coloured	Indian/Asian	Total
	Male	197	115	38	57	407
	Female	54	87	12	32	185
Total		251	202	50	89	592
Candidate Architectural Draughtsperson	Gender	African	White	Coloured	Indian/Asian	Total
	Male	201	226	42	30	499
	Female	18	88	6	5	117
Total		219	314	48	35	616

Source: SACAP fourth quarter report, 2017/18

Table 54: SACQSP's total registered candidates

Professional Quantity Surveyor	Gender	African	White	Indian/Asian	Coloured	Total
	Male	147	648	70	540	1405
	Female	48	531	33	130	742
Total		195	1179	103	670	2147

Source: SACQSP fourth quarter report, 2017/18

Table 55: SACPCMP's total registered candidates

Candidate Construction Manager	Gender	African	White	Indian/Asian	Coloured	Total
	Male	149	178	22	28	377
	Female	62	6	1	1	70
Total		211	184	23	29	447
Candidate Construction Project Manager	Gender	African	White	Indian/Asian	Coloured	Total
	Male	857	169	55	45	1126
	Female	482	24	10	4	520
Total		1339	193	65	49	1646
Candidate Construction Health and Safety Agent	Gender	African	White	Indian/Asian	Coloured	Total
	Male	36	36	10	3	85
	Female	15	9	1	2	27
Total		51	45	11	5	112
Candidate Construction Health and Safety Manager	Gender	African	White	Indian/Asian	Coloured	Total
	Male	7	16	0	3	26
	Female	9	6	1	2	18
Total		16	22	1	5	44
Candidate Construction Health and Safety Officer	Gender	African	White	Indian/Asian	Coloured	Total
	Male	306	90	9	43	448
	Female	198	46	7	19	270
Total		504	136	16	62	718
Construction Mentor	Gender	African	White	Indian/Asian	Coloured	Total
	Male	3	3	0	0	6
	Female	0	0	0	0	0
Total		3	3	0	0	6
Construction Health and Safety Manager	Gender	African	White	Indian/Asian	Coloured	Total
	Male	74	268	30	39	411
	Female	42	41	4	10	97
Total		116	309	34	49	508
Construction Health and Safety Officer	Gender	African	White	Indian/Asian	Coloured	Total
	Male	622	409	58	149	1238
	Female	235	121	121	30	507
Total		857	530	179	179	1745

Source: SACPCMP fourth quarter report, 2017/18

Table 56: SACLAP's total registered candidates

Candidate Landscape Architect	Gender	African	White	Indian/Asian	Coloured	Total
	Male	2	14	1	0	17
	Female	1	21	0	2	24
Total		3	35	1	2	41
Candidate Senior Landscape Architectural Technologists	Gender	African	White	Indian/Asian	Coloured	Total
	Male	1	2	0	0	3
	Female	0	1	0	0	1
Total		1	3	0	0	4
Candidate Landscape Technician	Gender	African	White	Indian/Asian	Coloured	Total
	Male	1	0	0	0	1
	Female	2	0	0	0	2
Total		3	0	0	0	3
Candidate Landscape Architectural Technologist	Gender	African	White	Indian/Asian	Coloured	Total
	Male	2	7	1	0	10
	Female	4	8	0	0	12
Total		6	15	1	0	22
Candidate Landscape Architectural Technicians	Gender	African	White	Indian/Asian	Coloured	Total
	Male	2	1	0	0	3
	Female	2	0	0	0	2
Total		4	1	0	0	5
Candidate Landscape Technologists	Gender	African	White	Indian/Asian	Coloured	Total
	Male	0	1	0	0	1
	Female	0	0	0	0	0
Total		0	1	0	0	1

Source: SACLAP fourth quarter report, 2017/18

Table 57: SACPVP's total registered candidates

Candidate Valuer	Gender	African	White	Indian/Asian	Coloured	Total
	Male	144	185	33	19	381
	Female	130	57	7	9	203
Total		274	242	40	28	584
Candidate Residential Property Assessor	Gender	African	White	Indian/Asian	Coloured	Total
	Male	1	8	0	2	11
	Female	1	2	0	0	3
Total		2	10	0	2	14

Source: SACPVP fourth quarter report, 2017/18

Percentage number of registered candidates by race and gender

The number of candidates in terms of demographics is very encouraging. The overall number of historically disadvantaged groups totals 71% of registered candidates. Africans make up 58% of the registered candidates while coloured people make up 4%, white 29% and Indian/Asian make up 9%. However, the conversion from candidate to professional status is poor and a serious concern requiring the attention of the CBE and CBEP. The CBE has developed a structured candidacy framework to address this issue, which it has introduced to a number of stakeholder for implementation.

Table 58: Total number of registered candidates in the CBEP

CBEP	African	White	Indian/Asian	Coloured	Total
ECSA	13656	5986	2208	562	22412
SACAP	707	1171	212	149	2239
SACLAP	17	55	2	2	76
SACPVP	276	252	40	30	598
SACPCMP	3097	1422	329	378	5226
SACQSP	1179	670	195	103	2147
Total	18932	9556	2986	1224	32698
Percentage	58%	29%	9%	4%	100%

Table 59: Total number of registered candidates by gender in the CBEP

Gender	African	White	Indian/Asian	Coloured	Total
Male	13611	7773	2175	969	24528
Percentage	55%	32%	9%	4%	100%
Female	5321	1783	748	318	8170
Percentage	65%	22%	9%	4%	100%

Table 60: Total number of registered professionals and candidates in the CBEP

CBEP	African	White	Indian/Asian	Coloured	Total
ECSA	20350	26801	4244	1252	52647
SACAP	1856	7293	834	682	10665
SACLAP	25	265	3	6	299
SACPCMP	868	2072	191	135	3266
SACPVP	3316	2401	395	433	6545
SACQSP	1628	2161	401	149	4339
Total	28043	40993	6068	2657	77761
Percentage	36%	53%	8%	3%	100%

3.2 Accreditation

In terms of section 13 of the six built environment professions Act of 2000, the CBEP are empowered to, subject to sections 5 and 7 of the Higher Education Act, 1997 (Act 101 of 1997), conduct accreditation visits to any educational institution that has a department, school or faculty of that professional council. These visits are to be conducted once during its term of office. If the council for the profession does not conduct an accreditation visit within its term of office, it must:

- notify the Minister accordingly and provide reasons for its failure to do so
- conditionally or unconditionally grant, refuse, and withdraw accreditation regarding all educational institutions and their educational programmes

The CBE Act addresses accreditation in section 4(p), impelling the CBE to promote coordination between the CHE and the CBEP on the accreditation of educational institutions.

Accreditation of education programmes is an important element for quality assurance and maintaining of professional standards against national and international standards. Completing an accredited course of study is generally a key criterion for registration with the councils for the professions.

Objectives of Accreditation

The objectives of accreditation, as per the six built environment professions Acts, are the following:

- To establish whether a programme meets the educational requirements toward registration in a particular category
- To establish whether the graduates of a programme are ready to enter employment, and are equipped to continue learning throughout their careers
- To establish the international comparability of programmes
- To assure the public of the quality of the programme
- To evaluate and, subsequently, maintain the quality and standard of CBEP programmes offered at public South African higher education providers
- To encourage improvement and innovation in education, in response to national and global needs

In line with its legislative mandate of setting minimum standards in education and training, and through their strategic objectives of upholding and maintaining the standard of education and training, the CBEP conduct an evaluation of the teaching programmes offered at the universities and UoTs.

During the reporting period, the following accreditation activities were reported by the CBEP:

ECSA

Table 61: ECSA's accreditation visits

Institution	Type of Visit	Date
Central University of Technology	Regular Accreditation Visit	24 – 26 April 2017
Mangosuthu University of Technology	Regular Accreditation Visit	15 – 17 May 2017
Nelson Mandela Metropolitan University	Interim Accreditation Visit	5 June 2017
Tshwane University of Technology	Training Workshop	31 May – 1 June 2017
Tshwane University of Technology	Regular Accreditation	14 – 18 August 2017
University of Witwatersrand	Regular Accreditation Visit	13 – 15 August 2017
University of Pretoria	Regular Accreditation Visit	27 – 29 August 2017
University of Cape Town	Interim Accreditation Visit	27 – 29 September 2017
Cape Peninsula University Of Technology	Interim Accreditation Visit	05-06 October 2017
North-West University	Provisional Accreditation Visit	05-06 October 2017
University of Johannesburg	Interim Accreditation Visit	24 – 25 October 2017
Walter Sisulu University	Final Accreditation Visit	26 – 28 February 2018
University of KwaZulu-Natal	Final Accreditation Visit	15 – 16 March 2018

SACAP

The last accreditation visits for the current term of office Council were undertaken in 2014 and 2017. The next visits will be conducted between 2019 and 2021.

SACLAP

The accreditation anticipated for the programmes at the Tshwane University of Technology has been postponed further to April 2019, due to a number of challenges including:

- a. The department recently re-curriculated its programmes to
 - Diploma – NQF level 6
 - Advanced Diploma - NQF level 7
 - Postgraduate Diploma -NQF level 8
 - Master of Science -NQF level 9
 - Doctorate in Philosophy (PhD) - NQF level 10
- b. The revamping of the physical resources such as the studio space may not be completed on time
- c. The course co-ordinator who is the main champion of the accreditation process is currently on sabbatical

SACPVP

SACPVP's current term of office Council visited all educational institutions that offer valuation programmes to assess whether or not to accredit the programmes. A total of nine programmes are accredited. These are, three Masters, one post graduate diploma and four bachelor's degrees as well as one national diploma. The next visits to these institutions will be during the next term of office Council between the middle of 2018 until 2022.

SACPCMP

The Programme Accreditation Policy has been reviewed to incorporate new amendments and lessons learnt from the first accreditation cycle in preparation of the second accreditation cycle.

The Programme Accreditation Committee approved the amendments at their 31st sitting on 27 February 2018. Council, at its meeting of 16 March 2018 approved the amended Programme Accreditation Policy Committee to be gazetted for public comment.

The SACPCMP held a **Heads of Department Forum** on 13 - 14 June 2017 to discuss the following as part of the panel interview proceedings:

- Strategies to ensure that accredited institutions increase the pool of Candidate Construction Manager (CM), Construction Project Manager (CPM) and Construction Health and Safety (CHS) professionals attaining professional registration with the SACPCMP
- Strategies to ensure that accredited institutions support the development of more honours and masters degree qualifications to support students to enrol towards doctoral studies in the Construction Management professions
- Strategies to ensure that accredited institutions recruit and develop suitably qualified Construction Management lecturing and professorial staff to ensure that CM departments are constituted/headed by CM lecturers/professors professionally registered with the SACPCMP as a primary profession
- Strategies to ensure an increase in the number of National Research Foundation (NRF)-rated researchers
- Strategies to ensure that accredited institutions respond to the programme needs of CHS professionals

SACQSP:

Accreditation visits to these two outstanding institutions were conducted in 2017:

1. Mangosuthu University of Technology
2. University of KwaZulu-Natal

Both institutions received Conditional Accreditation status. The shortfalls will be addressed in the Annual Threshold Standard Reports, due in May and October 2018.

The SACQSP has challenges with UoTs struggling to meet the minimum requirements of certain criteria in the accreditation policy. A workshop was conducted on the structure of their reporting, and a one year extension granted to conditionally accredited institutions to remedy their shortcomings.

Both the CHE and the Council of SACQSP have a research requirement for the national diploma. To evade this requirement, UoTs have opted to restructure their qualifications and phase out the national diploma. The result of this is that South Africa will have two educational institutions, located on the coast, able to host the national diploma; a move that will significantly impact on transformation. The Council will be required to re-look at the route to registration taking into consideration the new qualifications.

Table 62: Institutions with BE programmes and their accreditation status

The table below shows a slight increase in the number of programmes accredited by CBEP. However, the issue of non-accredited programmes at educational institutions needs to be addressed. The programmes are colour-coded to denote the following accreditation status:

Red – Full Accreditation **Orange** – Not Accredited **Blue** – Provisional Accreditation **Black** – Accreditation status not determined as information was not provided.

INSTITUTION	SACOSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of Cape Town	Bachelor of Quantity Surveying Bachelor of Science (BSc) (Hons) in Quantity Surveying	BSc in Property Studies BSc (Hons) in Property Studies MSc in Property Studies Postgraduate Diploma in Property Studies	BSc (Hons) in Construction Management Bachelor of Science: Construction Studies	Master of Landscape Architecture (MLArch) BLA Hons (1 year) MLA (1 year)	Bachelor of Architectural Studies (BAS) BAS (3 years undergraduate) BAS (Hons) (1 year) postgraduate M Arch (Prof) (Final 1 year postgraduate)	Bachelor of Engineering in • Civil • Chemical • Electrical • Mechanical • Electro-mechanical • Mechatronic • Electrical and Computer
University of the Free State	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying	Master of Land and Property Development (MPROP Property Valuation)	BSc in Construction Management Bachelor of Science: (Hons) Construction Management; Masters of Land and Property Management (MLPM)	N/A	Bachelor of Architectural Studies BAS (1 st 3 yrs) BAS BAS (Hons) M Arch (Masters) M Arch Prof (Professional)	N/A
University of KwaZulu-Natal	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying Accreditation was withdrawn in 2014, as it had not taken on any new students since 2012. Negotiations are underway, since 2014, to re-instate the programme.	N/A	N/A	N/A	BAS (3 years undergraduate) M Arch (Prof)	BSc (Eng) • Electrical • Agricultural • Chemical • Electronic • Civil • Mechanical • Computer Engineering

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
University of Pretoria	Bachelor of Quantity Surveying	MSc in Real Estate Property Valuation	BSc (Hons) in Construction Management	BSc	BSc in Architecture	B. Eng
	BSc (Hons) in Quantity Surveying	BCom and B Com (Hons)	Bachelor of Science: Construction Studies Masters of Science (Project Management)	Landscape Architecture BL (Hons) ML (Prof)	M. Arch Prof BSc (Hons) in Architecture	<ul style="list-style-type: none"> • Civil • Mechanical • Industrial • Mining • Chemical • Electrical • Metallurgical • Electronic • Computer • Engineering
University of the Witwatersrand	Bachelor of Quantity Surveying	BSc (4 years) in Property Studies (programme is still to be accredited as it has been re-curriculated)	BSc (Hons) in Construction Management;	N/A	BAS	Bachelor of Engineering in
	BSc (Hons) in Quantity Surveying		Bachelor of Science: Construction Studies; Master of Science (Building) in Construction Project Management		BAS (Hons) M Arch (Prof)	<ul style="list-style-type: none"> • Civil • Chemical • Electrical • Mechanical • Industrial • Aeronautical • Mining • Metallurgical and Materials • Electrical Engineering-Information Option

INSTITUTION	SACOSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Nelson Mandela Metropolitan University	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying	MSc in Built Environment Facilities Management MSc in Built Environment Property Economics and Valuation	BSc (Hons) in Construction Management BSc in Construction Studies National Diploma: Building BTech in Construction Management MSc in Built Environment Construction Health and Safety Management MSc in Built Environment Project Management MSc in Built Environment Construction Management	N/A	N Dip (National Diploma - Architectural Technology) B Tech (Architectural Technology) M Tech (Architectural Technology) BAS M Arch (Prof)	BEng Mechatronics
University of Johannesburg	BTech in Quantity Surveying ND: Building	ND in Real Estate Property Valuation (discontinued) BCom and BCom (Hons)	National Diploma: Building Bachelor of Technology: Construction Management	N/A	National Diploma – Architectural Technology (part 1) B. Tech – Architectural Technology – Applied Design (part 1) M. Tech (Thesis based)	BTech in Engineering • Civil • Mechanical • Electrical and Electronic • Electrical and Electronic with Endorsement Information Technology

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Walter Sisulu University of Technology	ND in Building	N/A	National Diploma: Building	N/A	N/A	BTech and ND in Engineering <ul style="list-style-type: none"> • Civil • Mechanical • Electrical, Electronic and Computer • Chemical National Diploma: Engineering Civil (Butter Worth campus) National Diploma: Engineering Civil (College Street Campus)
Stellenbosch University	N/A	N/A	N/A	N/A	N/A	B. Eng <ul style="list-style-type: none"> • Chemical • Civil • Electrical and Electronic • Electrical and Electronics with Computer Science • Industrial • Mechatronic • Mechanical
North West University (Potchefstroom)	N/A	N/A	N/A	N/A	N/A	BEng <ul style="list-style-type: none"> • Chemical • Chemical with specialisation in Minerals Engineering • Electrical & Electronic • Computer & Electronic Engineering • Mechanical

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
UNISA	N/A	ND in Real Estate Property Valuation (programme discontinued in 2011)	N/A	ND in Landscape Technology (new programme structure and course content relating to the new registration categories) It is anticipated the programme will be accredited in April 2019	N/A	BTech and ND in Engineering <ul style="list-style-type: none"> Civil (Environmental, Structural, Transportation, Urban, Water) Chemical Electrical Industrial Information Technology Mechanical Mining
Cape Peninsula University of Technology	Bachelor of Technology in Quantity Surveying	ND in Real Estate (Property Valuation)	BTech in Construction Management National Diploma: Building	ND and BTech in Landscape Technology Diploma in Landscape Architecture (NQF 6) Advanced Diploma in Landscape Construction Management (NQF 7)	B Tech (Bachelor of Architectural Technology) N Dip (Architectural Technology)	BTech and ND in Engineering <ul style="list-style-type: none"> Civil Chemical Computer Systems Industrial Electrical Mechanical Mechatronics Computer Systems
Central University of Technology	BTech Quantity Surveying Received Candidate accreditation for 12 months, subject to outstanding issues to be resolved	N/A	National Diploma: Building BTech in Construction Management	N/A	N/A	BTech and ND in Engineering <ul style="list-style-type: none"> Chemical Civil (Transportation, Urban, Water) Electrical Industrial Mechanical Mechatronics
Durban University of Technology	N/A	N/A	National Diploma: Building Bachelor of Technology: Construction Management	ND in Landscape Technology (Programme terminated in 2011)	NDip (National Diploma - Architectural Technology) B Tech (Bachelor of Architectural Technology)	BTech and ND in Engineering <ul style="list-style-type: none"> Computer Systems Electronic Chemical Civil Electrical Mechanical

INSTITUTION	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
Mangosuthu University of Technology	ND: Building NDip in Surveying	N/A	National Diploma: Building	N/A	N/A	BTech and ND in Engineering • Civil • Electrical • Mechanical • Chemical
Tshwane University of Technology	Bachelor of Technology in Quantity Surveying	Building Science	National Diploma: Building Bachelor of Technology: Construction Management	ND in Landscape Technology BTech in Landscape Technology (New programme structure and course content) It is anticipated this programme will be accredited in April 2019.	B Tech (Architecture Professional) (Part 1) M Tech (Architecture Professional) (Part 2) B Tech (Architectural Technology) (Part 1)	BTech and ND in Engineering • Chemical and Metallurgical • Civil • Electrical • Industrial • Mechanical • Mechatronics • Computer Systems
Vaal University of Technology	N/A	N/A	N/A	N/A	N/A	BTech and ND in Engineering • Chemical • Electrical • Civil • Industrial • Mechanical • Computer Systems • Metallurgical
Inscape			N/A		Architectural Technology NQF 5	

The following challenges, regarding accreditation, were reported for the year under review:

- a. Some CBEP cite a lack of suitably experienced persons to undertake accreditation visits
- b. Cost of accreditation to Higher Education Institutions

The SACQSP notes challenges with UoTs struggling to meet the minimum requirements of certain criteria in the accreditation policy. A workshop was conducted on the structure of their reporting, and a one year extension granted to conditionally accredited institutions to remedy their shortcomings.

Both the CHE and the Council of SACQSP have a research requirement for the national diploma. In order to evade this requirement, UoTs have opted to restructure their qualifications and phase out the national diploma. The result of this is that South Africa will have two coastal educational institutions offering the national diploma; a move that will significantly impact on transformation.

3.3 Recognition of Prior Learning

Recognition of Prior Learning (RPL) considers practising individuals in the professions who do not have a formal qualification, which will nevertheless enable them to be recognised as either professionals or candidate professionals under the statutory-determined professional designations. Their recognition is based on a demonstration of competence against learning outcomes required for an NQF-aligned qualification. RPL activities undertaken by the CBEP for the year under review are outlined below:

ECSA

ECSA received 71 applications. Of these, 58 were registered, while 28 were not eligible.

SACPCMP

At the end of the 2017/18 financial year a total of 22 applicants were received by the SACPCMP. Of these 5 were registered, while 14 had paid the RPL fee; however, a sizeable number of these had still not submitted their Portfolio of Evidence. This alludes to a deeper issue – that they struggle to meet the intensity of RPL requirements, which may be due to a lack of formal qualifications. Council has now established line items within the budget for hosting RPL workshops in a given year since RPL is deemed to be amongst the key drivers of transformation.

SACAP

SACAP's RPL process does not facilitate initial registration, but allows for the progression of professionals from one registration category to the next.

The process takes place in two phases. To date a number of applicants have gone through Phase 1, and are awaiting admission to Phase 2.

SACPVP

The SACPVP did not receive any applications for RPL.

SACLAP

13 Applications were received. 10 were registered, while 3 were not eligible.

SACQSP

The SACQSP received 13 applications. Of these, 11 were registered, while two were not eligible.

Table 63: RPL applications

CBEP	RPL Applications received	Applications registered	Applications rejected	Applications pending
ECSA	71	58	28	0
SACPCMP	33	5	0	22
SACLAP	13	10	3	0
SACQSP	13	11	2	0
SACAP	0	0	0	0
SACPVP	0	0	0	0
Total	130	84	33	22

Source: CBEP fourth quarter report, 2017/18

The reasons for the rejection of applications were listed as follows:

- Inadequate employer support
- Difficulty in securing mentors - access to competent mentors was cited as a barrier, resulting in the lack of a structured in-service training programme
- Applicants' lack of clarity on the knowledge areas to be covered
- Clarity on the required competencies for registration
- Incomplete reporting and supporting documentation on experience
- The experience of compiling the Portfolio of Evidence is onerous and highly demanding

3.4 Continuous Professional Development

The purpose of Continuous Professional Development (CPD) is to ensure that BEPs knowledge and competencies are continuously developed, and to keep abreast of new developments in their respective fields.

Another purpose is to assist BEPs to maintain and acquire new and updated levels of knowledge, skills and ethical attitudes that will be of measurable benefit in professional practice, and to enhance and promote professional integrity. The client will ultimately be the beneficiary.

The built environment professions Acts impose a duty on a registered person to apply for the renewal of his/her registration with the council for the profession "at least three months prior to the prescribed expiry date of his/her registration." The Acts confer the power on the CBEP to determine conditions for the renewal of registration. The professions Acts empower the CBEP to determine conditions relating to continuing education and training. The discretion provided for in the Acts to make use of CPD as a mechanism to determine the renewal of registration, gives the CBEP the opportunity to comply with both the renewal of registration and CPD requirements.

It is the responsibility of all professionals to keep up to date with changes and new developments in the professional body of knowledge through participation in formal and informal CPD. All registered professionals are required to complete a series of accredited continuing education activities each year. CPD also ensures:

- The skills of professionals meet the highest standards
- Expertise of members develop and expand as markets and conditions change
- The role and reputation of the professions are relevant and enhanced, both in South Africa and within the international BE community
- The expertise of members is harnessed to inform public debate

ECSA

The amended Continuing Professional Development and Renewal of Registration Rules were published in the Government Gazette as Board Notice 86 of 2017 on 19 May 2017.

A draft concept document was developed to appraise all ECSA Stakeholders of the changes to the rules. A roll out plan will be developed in the first quarter of the new financial year which will detail the in-sourcing, centralisation, take-over and effective management of CPD by ECSA in detail.

Table 64: Percentage of registered professionals who comply with CPD requirements

CBEP	Percentage of registered professionals who comply with CPD requirements
ECSA	55.84
SACQSP	65
SACAP	62.30
SACPVP	78
SACPCMP	42.23
SACLAP	100

Source: CBEP fourth quarter report, 2017/18

CPD challenges:

- Most Registered Persons (RPs) do not make a submission on a yearly basis, but rather wait till the end of the five year cycle. In addition, most do not comply with the requirements of Category A of the CPD requirements.
- RPs struggle to become conversant with the online system. Administration provides on-line assistance.

4. AGREEMENTS AND PARTNERSHIPS

In terms of section 13 (e) of the built environment professions Act of 2000, the CBEP may establish mechanisms for registered persons to gain recognition for their qualifications and professional status in other countries. Section 13(h) states that councils for the professions may enter into an agreement with any person or body of persons, within or outside the Republic, with regard to the recognition of any examination or qualification for the purpose of this Act.

Arrangements for agreements and partnerships should be consistent with the following principles:

1. The international movement of professionals is in the interests of increasing trade, investment and knowledge flows between the council for the profession and its trading partners
2. The needs of the South African community are served according to the highest professional standards
3. Assessment processes ensure applicants meet standards consistent with the standards applying to local applicants

SACAP

SACAP is currently party to the Commonwealth Association of Architects international agreement, a MoA of mutual recognition of accredited architectural qualifications. Nationally, Council has a working relationship with the South African Police Services (SAPS) to help protect the public and the profession. Council is successfully meeting with municipalities to address problems experienced with plan submissions by unregistered persons.

SACPVP

SACPVP continues to play a role in the spirit of the African Agenda. The eSwatini Engineering Architects and Allied Professionals Council (EAAPC) approached the Council for collaboration in the registration and regulation of their valuers. The Council will be contacting the DPW International relations to peruse their intended MoU on this matter. SACPVP is liaising with the International Association of Assessing Officers on adapting its municipal standards for municipal roll valuations. SACPVP is also a member of the International Valuation Standards Council.

ECSA

ECSA is party to the following international agreements:

- a. Washington Accord
- b. Sydney Accord
- c. Dublin Accord
- d. International Professional Engineers Agreement (IPEA), formerly known as the Engineering Mobility Forum
- e. International Engineering Technologist Agreement (IETA), formerly known as the Engineering Technologist Mobility Forum

Locally ECSA has agreements with the following entities:

- Mangosuthu University of Technology (MUT)
- National Home-Builders' Registration Council (NHBRC)
- Managed Integrity Evaluation (MIE)
- East London Industrial Development Zone (ELIDZ)
- Transport Education and Training Authority (TETA)
- Department of Transport – KwaZulu-Natal (DoTKZN)

The above agreements are in relation to section 13 (i) of the Act, whereupon ECSA takes the responsibility to:

- "give advice or render assistance to any educational institution, voluntary association or examining body with regard to educational facilities for and the training and education of registered persons and prospective registered persons."
- seek to introduce the concept of ECSA accredited academies which will up skill the engineering profession and address the scarce and/or critical skill shortage in the country, by ensuring appropriate training is given at the correct level.

SACPCMP

Nationally, SACPCMP is pursuing a MoU with the NHBRC.

SACLAP

SACLAP does not have any agreements in place at this time. However, negotiations were opened with the International Federation for Landscape Architects (IFLA).

SACQSP

SACQSP continues to be party to the RICS/SACQSP Mutual Recognition of Competence Agreement.

The table below indicates agreements signed by the CBEP during the 2017/18 financial year.

Table 65: International accords and organisations that govern BE qualifications

CBEP	Partnerships and Agreements
SACPVP	International Valuation Standards Council Member of African Real Estate Society
ECSA	Washington Accord Sydney Accord Dublin Accord Engineers Mobility Forum Engineering Technologists Mobility Forum Mutual Exemption Agreement with the Institution of Civil Engineers (ICE) (UK) Mutual Exemption Agreement with Engineers Ireland Federation of African Engineering Organisations (FAEO)
SACPCMP	MoU with the NHBRC
SACLAP	Opened negotiations with International Federation for Landscape Architects (IFLA)
SACQSP	RICS/SACQSP Mutual Recognition of Competence Agreement
SACAP	Commonwealth Association of Architects

Source: CBEP Quarterly Reports, 2017/18

5. PROTECTING PUBLIC INTEREST

Sections 3 (a) and (e) of the CBE Act impel it to:

- (a) promote and protect the interests of the public in the built environment
- (e) promote appropriate standards of health, safety and environmental protection within the built environment

5.1 Investigations into charges of Improper Conduct and Disciplinary Cases

In terms of section 28(1) of the built environment professions Acts of 2000 (section 29 in the instance of SACPVP), the relevant council for the profession must refer any matter brought against a registered person to an investigating committee contemplated in section 17 if—

- (a) the council has reasonable grounds to suspect that a registered person has committed an act which may render him or her guilty of improper conduct; or
- (b) a complaint, charge or allegation of improper conduct has been brought against a registered person by any person.

Similarly, section 30(1) of the built environment professions Acts of 2000 impels the CBEP to appoint a disciplinary tribunal to hear a charge of improper conduct.

To ensure the protection of consumers of professional services, the CBEP have established complaints and disciplinary systems to maintain the quality of services to consumers and address unprofessional conduct by professionals.

Reasons for disciplinary cases

The CBEP may take disciplinary action against any registered person who is thought to be in violation of any of the six built environment professions Acts or who is thought to pose a danger to the public. Many complaints can fall into a category of “professional misconduct” or “unprofessional conduct”, as well as unsafe practice or illegal or unethical behaviour.

The nature of complaints/disciplinary cases relate to:

- Improper conduct
- Failure of registered persons to perform professional services within a reasonable time frame
- Professionals undertaking professional work while their registrations are suspended
- Competency/design errors
- Non-compliance with the Code of Conduct
- Rendering service as a professional, even when not registered

Duration of disciplinary matters

Many of the cases took from 90 days to a year to complete. The challenges with this turn-a-round time were the following:

- The high cost of investigations and conducting disciplinary cases
- The lack of legal resources within the CBEP, who are then forced to source this expertise externally

General penalties

The decisions by the CBEP to take disciplinary action determines a professional's ability to practice or hold oneself out as a registered person. Specific actions that the CBEP can take vary among the CBEP. The matter may be closed without sanction, or disciplinary action may be taken. If the matter is not closed without sanctions, punitive measures can take a number of forms and may be imposed in combination. Examples include:

- **Reprimand or censure** - reprimand and censure are similar in that they are official records indicating that a licensee has been disciplined. They may, in themselves, not compromise one's ability to practice but may be imposed along with other penalties
- **Citation** - the CBEP of the registered person imposes a fine or order of abatement in lieu of making a formal accusation
- **Cease and desist order** - an order to stop a particular activity or else face further penalty
- **Warning** - this can be accompanied by stipulations or specific requirements
- **Mandated continuing education**
- **Fine or civil penalty**
- **Remediation** - an attempt to correct practice and promote safety; it may define terms for the license to be reinstated in good standing
- **Referral to an alternative-to-discipline program**

- **Probation** - during probation, the registered person may or may not be permitted to practice. If the registered is permitted to remain in practice during the period of probation, it is with terms and conditions or restrictions
- **Suspension** - a period of time in which a registered person may not practice or hold herself or himself out
- **Interventions**

Complaints received by the CBEP

Complaints of improper conduct lodged against registered persons, or incidents regarding CBEP-related activities that may indicate improper conduct by registered persons are investigated. The following table provides statistics on complaints received by the six councils for the professions:

Table 66: Total number of complaints received and completed

CBEP	Complaints Received	Complaints Completed	In progress	Withdrawn
ECSA	63	45	18	0
SACPVP	39	7	15	17
SACPCMP	5	1	4	0
SACLAP	0	0	0	0
SACQSP	23	6	16	1
SACAP	147	42	105	0
Total	233	14	201	18

CBEP Quarterly Reports, 2017/18

SACPVP

39 Complaints were received. Seven were completed, while 15 are in progress and 17 were withdrawn. All are complaints of improper conduct.

SACAP

147 Complaints were received during the reporting period. Of these, 42 matters were completed and 105 are in progress. The nature of complaints are around:

- Failure to perform work for a client within a reasonable time
- Failure to adequately communicate with the client regarding architectural work undertaken
- Failure to set out terms of appointment in writing prior to undertaking architectural work
- Failure to display prescribed abbreviation on letterhead
- Failure to carry out work with due skill and competence
- Bringing the profession into disrepute
- Fraudulent use of registration details of other professionals to submit plans to the municipality
- Failure to submit a complete building plan application to the municipality
- Failure to prepare plans, notwithstanding that the client has paid all professional fees
- Failure to promote oneself in a truthful and responsible manner- misrepresenting skills, experience, competencies, qualifications and category of registration
- Forging the signature of another professional e.g. architectural professional forging a signature of an engineer on Form 2
- Changing the scope of work, budget or professional fees without the consent of the client

SACPCMP

Five complaints were received. One was completed, and four are in progress:

- | | |
|---|---|
| • Improper conduct by registered CHS Officers | 3 |
| • Improper conduct by a registered PrCHSA | 1 |
| • Improper conduct by a registered CCHSA | 1 |

ECSA

63 Complaints were received during the reporting period. Of these, 45 were completed while 18 were in progress. Most investigations related to competency/design errors.

SACQSP

SACQSP received 23 complaints. Six of these were completed, one was withdrawn, while 16 were in progress.

The nature of the complaints related to:

a) Breach of the SACQSP Code of Conduct

- | | |
|---|---|
| • Candidate working for own account | 4 |
| • Candidate work not being supervised | 0 |
| • No PrQS in branch office | 1 |
| • Poor quality of work | 2 |
| • Mentor not signing workplace skills records | 1 |
| • Soliciting a bribe | 1 |

b) Contravention of Act 49 / 2000 - Clause 18(2)

- | | |
|--|----|
| • Misrepresenting themselves as a registered QS | 3 |
| • Performing the work of PrQS but not being registered | 10 |

Challenges

One of the challenges that CBEP continuously face is the inability to finalise the disciplinary cases within the stipulated time. The finalisation of disciplinary cases is dependent mostly upon the respondent's response, which more often than not is delayed when respondents seek legal representation.

Health and safety

Section 3 (e) of the CBE Act impels it to promote appropriate standards of health, safety and environmental protection within the built environment. The CBE Act does not, however specify policy instruments for the achievement of appropriate standards of health and safety and environmental protection, as these lie with other Government line functions such as the Department of Labour (DoL) Construction Regulations and the Department of Environmental Affairs and of Trade and Industry (SABS and NRCS). This limits the role of the CBE to a facilitative one. However, a direct role for the CBE is found in influencing the knowledge base of BEPs through the curricula of the BE and CPD programmes to incorporate substantive health and safety and environmental sustainability knowledge to increase their competence in these areas.

ECSA

During the reporting period ECSA reported the following construction safety infringements:

- Geldenhyus Footbridge Collapse (Bedfordview: Gauteng)
- Road Collapse, John Ross Highway (Richards Bay: KwaZulu-Natal)

6. SUSTAINABLE AND INTEGRATED DEVELOPMENT

6.1 Identification of Work

The Identification of Work (IDoW) function is regulated by section 26 of the six built environment professions Acts and section 20 of the CBE Act.

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

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 identify the scope of work to be performed by registered persons.

The CC advised that the concept of IDoW is anti-competitive in terms of the Competition Act (no 89 of 1998) and will require exemption applications to be filed for exemption from the Competition Act prior to its implementation.

After extensive investigations the CC, during the previous financial year, rejected five of the applications. One application was withdrawn prior to a ruling by the CC. The CBE resolved to challenge the procedural correctness of the CC's decision. The CC however agreed to receive revised exemption applications and to:

- (1) Embark on an advocacy process with the CBE and CBEP
- (2) Provide the comprehensive reasons for rejecting the exemption applications

The expected feedback and support from the CC has not been received. Only one set of reasons (with regard to the ECSA application) was received. The advocacy process has not yet commenced. Given the fact that the IDoW process has been ongoing for many years the CBE, in consultation with the CBEP resolved on a more pro-active approach, focussing on the statutory requirement of consultation with the CC instead of applying for exemption.

The CBE Council resolved to adopt an official position on IDoW, and also approved an IDoW action plan. The action plan focuses on exploring different approaches to conclude the IDoW process as allowed by enabling legislation with continued focus on engagement with the CC, and extensive consultation with and updating of stakeholders on the process paramount.

The rejection of the exemption application by the CC is viewed in a serious light as it takes away the public protection factor regarding the competence of services provided by professionals. What appears to be not understood is that competence is a minimum technical and ethical standard of service delivery which is intrinsically embodied in the ability to deliver the work to be identified in terms of section 26(2) of the Act.

6.2 Professional Fees

In terms of section 4(k) (v) of the CBE Act, the CBE must ensure the CBEP apply policy and principles consistently in determining the fees which registered persons are charged, and in accordance with any legislation relating to the promotion of competition.

In terms of section 34(1) of the built environment professions Acts of 2000, "the Council must, in consultation with the voluntary associations, representatives of service providers and clients in the public and private sector, formulate recommendations with regard to the principles referred to in section 4(k) (v) of the CBE Act.

Section 34(2) of the built environment professions Act 2000 provides that "the council must annually after consultation with the voluntary associations, representatives of service providers and clients in the public and private sector, determine guideline professional fees and publish those fees in the Gazette."

The CC opined that the publication of guideline professional fees is in conflict with the competition law, and requires exemption applications by each of the CBEP. The CBEP submitted the required applications to the CC during January 2016; however, the CC decided that the publication of guidelines fees by the CBEP is anti-competitive and rejected all the exemption applications. During the reporting period the six CBEP reported the following:

SACPVP

SACPVP is considering appealing the decision.

SACQSP

The Council resolved to publish its Guideline Professional Fees in 2015, taking into consideration the CC's recommendations previously communicated to it.

ECSA

ECSA has decided on the following actions:

- To retract its mandate, given to the CBE on 29 June 2016, to lodge its appeal on the exemption application for the Guideline Professional Fees
- To refrain from publishing its Guideline Professional Fees, while engaging directly with the CC with the aim of reaching a resolution
- To publish a statement on the fee rates on their website, with a link to DPW, as an interim measure
- That ECSA, along with SACQSP, SACAP and SACPCMP discuss the way in which professional fees are dealt with in the public sector

SACPCMP

Council took a decision at the beginning of 2013 not to publish their fees, as the advice tendered by the CC deemed them anti-competitive.

SACAP

The Guideline Professional Fees, published in the Government Gazette in 2015, were rejected by the CC. Thus the new Professional Guideline Fees has not been published. The Professional Fees Committee is investigating alternative ways of establishing professional fees.

SACLAP

SACLAP is considering the decision of CC and will advise on its way forward in due course.

The CBEP have raised the following challenge as a consequence of the CC decision:

It is creating an environment where the overall quality of services will deteriorate. Fees received will be inadequate to cover the cost of holistic built environment professional services that are deemed essential.

6.3 Voluntary Associations

In South Africa, Voluntary Associations (VAs) cover any association that has been recognised as such by the CBEP. An association is broadly defined to include an institute, institution, association, society or federation established by the BE practitioners to promote their collective professional and/or business interests. Their initial and continuing recognition is dependent on their adherence to the policy prescripts of the associated council for the profession on VAs.

VAs are an important constituent of the BE professional milieu as a repository of profession-specific technical knowledge. They are also highly involved in CPD activities and the development of qualifications. Their recognition is important and should be encouraged since they play the following critical roles, apart from the aforementioned CPD and qualification development roles:

- Provide a pool of practitioners to serve on professional council's committees
- Play the role of competency assessment (assessors) in the registration process
- Provide a pool of mentors for candidate professionals
- Serve as members of evaluation committees for programme accreditation at Higher Education Institutions that offer BE qualifications

Table 67: Number of VAs recognised by the CBEP

CBEP	Number of VAs recognised	Number of VAs not recognised
ECSA	49	0
SACAP	13	4
SACLAP	1	2
SACPCMP	13	3
SACPVP	3	0
SACQSP	1	1

CBEP Quarterly Reports, 2017/18

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